MISSOURI, KANSAS AND TEXAS

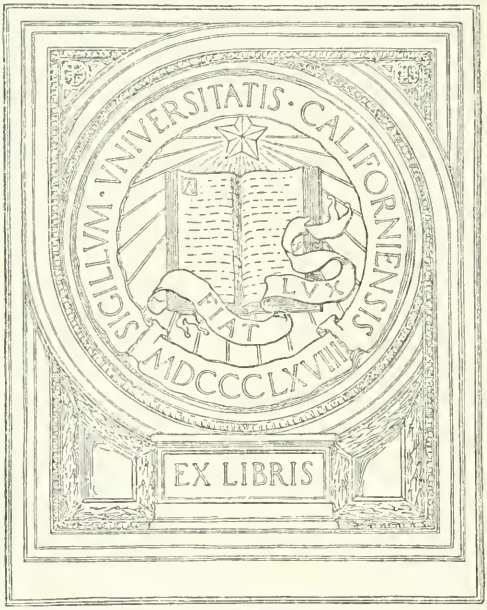
Railway Company

(IN TEXAS)

AND ITS AUXILLIARY LINES.

Charters, Acts of Incorporation, Mortgages, Contracts, etc.

UNIVERSITY OF CALIFORNIA
AT LOS ANGELES



Samuel Oppenheim

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Missouri, Kansas and Texas

RAILWAY COMPANY

(IN TEXAS)

AND ITS AUXILLIARY LINES.

Charters, Acts of Incorporation,

Mortgages, Contracts, etc.

Compiled by Direction of

WARNER, DEAN & HAGERMAN,

General Counsel of Receivers.

1889.

HOUSTON, TEXAS.
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CONTENTS.

PAGE

ROSTER OF OFFFICERS of all Lines 1

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY 5

Act of Texas Legislature in relation to, passed August 2, 1870.... 7—9
General Consolidated Mortgage, December 1st, 1880..... 10—45
International Railway Improvement Company to the Mercantile Trust Company, sale of rolling stock..... 46—49
Supplemental General Consolidated Mortgage to Mercantile Trust Company, December 1, 1886..... 50—60
Supplemental General Consolidated Mortgage to Mercantile Trust Company, December 1, 1887..... 61—66
Minutes of Board of Directors' and Stockholders' Meetings authorizing purchase of Railroads in Texas..... 67—79

BOARD OF DIRECTORS—

Dallas and Wichita Railway Company..... 67
Trinity and Sabine Railway Company..... 68
Taylor, Bastrop and Houston Railway Company..... 69
Dallas and Greenville Railway Company..... 70
Gainesville, Henrietta and Western Railway Company..... 71
East Line and Red River Railroad Company..... 72—74
Missouri, Kansas and Texas Extension Railway Company..... 74—75

STOCKHOLDERS' MEETINGS—

Missouri, Kansas and Texas Extension Railway Company.....
East Line and Red River Railroad Company..... 75—76
Dallas and Wichita Railway Company.....
Trinity and Sabine Railway Company..... 77
Dallas and Greenville Railway Company.....
Gainesville, Henrietta and Western Railway Company..... 77—78
Taylor, Bastrop and Houston Railway Company.....
Taylor, Bastrop and Houston Railway Company..... 78—79

DENISON AND PACIFIC RAILWAY.

History of Organization, etc..... 80
Articles of Association ..... 84—87
Deed covering corporate rights, etc..... 104—106

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DENISON AND SOUTHEASTERN RAILWAY COMPANY

AFTERWARDS NAMED

MISSOURI, KANSAS AND TEXAS EXTENSION RAILWAY COMPANY.

History of Organization, etc..... 81—83
Articles of Incorporation..... 88—91
Mortgage to Union Trust Company, February 1, 1878..... 92—100
Amendment to Act of Incorporation..... 101—103
Mortgage of Missouri, Kansas and Texas Extension Railway Company to Union Trust Company, June 1, 1880..... 107—130
Union Trust Company to Missouri, Kansas and Texas Extension Railway Company, Release of Mortgage of June 1, 1880..... 131—132
Union Trust Company to Missouri, Kansas and Texas Extension Railway Company—Deed conveying corporate franchises and property of Missouri, Kansas and Texas Extension Railway Company, November 26, 1881..... 133—147

INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY.

History of Organization, etc..... 149—161
Act Incorporating Houston and Great Northern Railroad Company, 162—167
Act Incorporating Houston Tap and Brazoria Railway Company,... 168—175
Act Amending Act to Incorporate Houston Tap and Brazoria Railway Company, passed January 23, 1858..... 176
Act Amending Act to Incorporate Houston Tap and Brazoria Railway Company, passed December 17, 1859..... 177
Act to Provide for the Sale of the Houston Tap and Brazoria Railway Company..... 178
Joint Resolution authorizing the Governor to Sell the Houston Tap and Brazoria Railroad..... 179
Act to Incorporate the Huntsville Branch Railway Company..... 180—184
Act to Incorporate the Victoria and Columbia Railway Company.. 185—191
Act Supplementary thereto..... 192—193
Act to Consolidate Houston Tap and Brazoria Railway, the Huntsville Branch Railway, and the Victoria and Columbia Railroad with the Houston and Great Northern Railroad..... 194
Act to Incorporate the International Railroad Company..... 195—201
Articles of Association and Consolidation between the Houston and Great Northern Railroad Company and the International Railroad Company..... 202—206
An Act Authorizing the International and Great Northern Railroad Company to issue Bonds..... 207
An Act for the Relief of the International Railroad Company Consolidated with the Houston and Great Northern Railroad Company under the name of the International and Great Northern Railroad Company..... 208—211
Deed from Special Master to John S. Kennedy and Samuel Sloan, Trustees, conveying the Houston and Great Northern Railroad..... 212—217

Deed from Special Master to John S. Kennedy and Samuel Sloan, Trustees, conveying the International Railroad ....218—223
Deed from Special Master to John S. Kennedy and Samuel Sloan, Trustees, conveying the International and Houston and Great Northern Railroads.....224—228
Agreement for the Reorganization of the International and Great Northern Railroad Company, dated September 20, 1878.....229—234
Deed of John S. Kennedy and Samuel Sloan, Trustees, to the International and Great Northern Railroad Company, date November 1, 1879..... .....235—238
Deed of International and Great Northern Railroad Company to John S. Kennedy, Samuel Thorne and William Walter Phelps conveying Lands..... .....239—245
Articles of Incorporation of the Georgetown Railroad Company...246—249
An Act to Incorporate the Henderson and Overton Branch Railway Company..... .....250—251
Articles of Incorporation of the Austin and Oatmanville Railway Company... .....252—255
Resolution of Stockholders of the International and Great Northern Railroad Company authorizing Lease of Galveston, Houston and Henderson Railway.....256—257
Lease of International and Great Northern Railroad to Missouri, Kansas and Texas Railway Company..... .....258—265
Revocation of above Lease.....266—270
First Mortgage International and Great Northern Railroad Company to John S. Kennedy and Samuel Sloan, Trustees, November 1, 1879... .....271—281
Second Mortgage of the International and Great Northern Railroad Company to Samuel Thorne and Wm. Walter Phelps, November 1, 1879.....282—293
Six per cent. Gold Mortgage, International and Great Northern Railroad Company to Farmers' Loan and Trust Company, Trustee, June 15, 1881..... .....294—306
Colorado Bridge Company to Farmers' Loan and Trust Company, Trustee, Mortgage, May 24, 1880.....307—318

GALVESTON, HOUSTON AND HENDERSON RAILROAD COMPANY.

History of Organization, etc..... .....319—331
Act to Incorporate.....332—336
Act Supplementary to Act of Incorporation, January 10, 1854.....337—338
Act Supplementary to Act of Incorporation, January 23, 1856.....339—340
Act Supplementary to and Amendatory of Act of Incorporation, July 24, 1856..... .....341—342
Act for Relief of, and Amendatory of Act of Incorporation, November 20, 1857.....343—344
Act to Incorporate the Galveston and Houston Junction Railroad Company..... .....345—346
Act to Revise and continue in force above Act.....347—348

Articles of Association of the Galveston, Houston and Henderson Railroad Company of 1882 ..... 349—351
First Mortgage of the Galveston, Houston and Henderson Railroad Company of 1882 to Mercantile Trust Company, Trustee, April 1, 1883 ..... 352—363
Lease to the International and Great Northern Railroad Company, March 3, 1883 ..... 364—369

DALLAS AND WICHITA RAILROAD COMPANY.

History of Organization, etc ..... 371—374
Act of Incorporation ..... 375—378
Act amending Act of Incorporation, May 24, 1873 ..... 379—383
Act amending Act of Incorporation, February 27, 1875 ..... 384—385
Act for Relief of, July 29, 1886 386
Contract of Sale to Missouri, Kansas and Texas Railway Company, 387—389

EAST LINE AND RED RIVER RAILROAD COMPANY.

History of Organization, etc ..... 391—393
Act of Incorporation ..... 394—397
Act Amending Act of Incorporation, May 17, 1873 ..... 398—400
Act Amending Act of Incorporation, May 17, 1873 401
Act Amending Act of Incorporation, March 6, 1875 402
Release of Mortgage from Union Trust Company, Trustee ..... 403—405
First Mortgage to Fidelity Insurance, Trust and Safe Deposit Company, dated June 1, 1880 ..... 406—424
Contract of Sale and Conveyance to the Missouri, Kansas and Texas Railway Company ..... 425—427

TAYLOR, BASTROP AND HOUSTON RAILWAY COMPANY.

History of Organization, etc ..... 429—439
Articles of Incorporation ..... 437—441
Amended Articles of Incorporation, September 8, 1886 ..... 442—444
Amended Articles of Incorporation authorizing construction of Branch to San Marcos ..... 445—446
Contract of Sale and Conveyance to Missouri, Kansas and Texas Railway Company ..... 447—450
First Mortgage to John F. Dillon and Henry B. Henson, Trustees, dated December 1, 1886 ..... 451—461
Supplemental Mortgage to same Trustees ..... 462—466

TRINITY AND SABINE RAILWAY COMPANY.

History of Organization, etc ..... 467—468
Articles of Incorporation ..... 469—472
First Mortgage to Mercantile Trust Company, December 15, 1881 ..... 473—484
Contract of Sale and Conveyance to Missouri, Kansas and Texas Railway Company ..... 485—488

GAINESVILLE, HENRIETTA AND WESTERN RAILWAY COMPANY.

History of Organization, etc.....489—495
Articles of Incorporation.....496—499
First Mortgage to John F. Dillon and Henry B. Henson, Trustees...500—509
Contract of Sale and Conveyance to Missouri, Kansas and Texas Railway Company.....510—512
Construction Contract with Guy Phillips.....513—514

DALLAS AND GREENVILLE RAILWAY COMPANY.

History of Organization, etc.....515—520
Articles of Incorporation.....521—523
Construction Contract with Guy Phillips.....524—525
Contract for joint use of track with Missouri, Kansas and Texas Railway Company, St. Louis, Iron Mountain and Southern Railway Company and the Daingerfield and Texarkana Railway Company.....526—529
First Mortgage to John F. Dillon and Henry B. Henson, Trustees, December 1, 1886.....530—540
Contract of Sale and Conveyance to the Missouri, Kansas and Texas Railway Company.....541—543

DALLAS AND WACO RAILWAY COMPANY.

History of Organization, etc.....545—550
Articles of Incorporation.....551—554
Construction Contract with Guy Phillips.....555—556
Contract for joint use of track with St. Louis, Iron Mountain and Southern Railway Company.....557—560
First Mortgage to John F. Dillon and Henry B. Henson, Trustees.. 561

APPENDIX.

Contract for Joint Use of Track between Missouri, Kansas and Texas Railway Company and Texas Pacific Railway Company.....575—577
Lease of the Missouri, Kansas and Texas Railway to the Missouri Pacific Railway Company, December 1, 1880.....578—586

ROSTER OF OFFICERS AND DIRECTORS.

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DIRECTORS.

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B. W. McCullough, Dallas, Texas.
W. H. Abrams, Dallas, Texas.
E M. Beckwith, Dallas, Texas.
A. H. Stuart, Dallas, Texas.
W. H. Newman, Chicago, Illinois.
George C. Smith, St Louis, Missouri.

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E. A. BOICE ..... *Secretary and Treasurer.*
E. W. TAYLOR ..... *Assistant Secretary and Treasurer.*

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W. H. Abrams, Dallas, Texas.
E. W. Taylor, Jefferson, Texas.
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John Bacon, Dallas, Texas.
E. A. Boice, Dallas, Texas.
F. H. Prendergast, Marshall, Texas.
D. S. H. Smith, St. Louis, Missouri.

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C. J. McPHERSON..... ..... *Secretary.*

DIRECTORS.

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C. J. McPherson, Houston, Texas.
G. W. Burkett, Palestine, Texas.
D. S. H. Smith, St. Louis, Missouri.
H. G. Fleming, Texarkana, Texas.
W. H. Newman, Chicago, Illinois.

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General Office, Gainesville, Texas.

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F. M. DOUGHERTY..... ..... *Vice-President.*
J. M. LINDSAY..... *Secretary.*
D. S. H. SMITH..... *Treasurer.*
WM. KERRIGAN..... ..... *General Manager.*

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H. A. Lewis, Gainesville, Texas.
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H. G. Fleming, Texarkana, Texas.
R. C. Foster, Denison, Texas.
Wm. Kerrigan, St. Louis, Missouri.

Missouri, Kansas & Texas

RAILWAY COMPANY.

The Legislature of the State of Texas, by an act passed August 2d, 1870, (see Act Twelfth Legislature, called session, Special Laws, page 63), granted to the Missouri, Kansas and Texas Railway Company the right to extend its road, from a point where the same shall cross into the State from the Indian Territory, through the State of Texas, in the general direction of Waco and Austin, to the Rio Grande, with a view to farther extension to Camargo and the City of Mexico.

Under the powers and authority of this act, the Missouri, Kansas and Texas Railway Company acquired the franchises, corporate rights and privileges, railway, equipment, and all other property, of the following named railroad companies, on the dates mentioned, all organized and created by the laws of the State of Texas:

East Line and Red River Railroad Company, November 28, 1881.

Dallas and Wichita Railway Company, December 15, 1881.

Denison and Pacific Railway Company, November 26, 1881.

Denison and South Eastern Railway Company, November 26, 1881.

Dallas and Greenville Railway Company, November ——, 1886.

Trinity and Sabine Railway Company, December 9, 1882.

Taylor, Bastrop and Houston Railway Company, December 2, 1886.

Gainesville, Henrietta and Western Railway Company, January 25, 1887.

Dallas and Waco Railway Company.

Following are copies of the various acts of the Legislature of the State of Texas authorizing the extension into and through that State of the railway of the Missouri, Kansas and Texas Railway Company, and incorporating the several railroad companies above mentioned; also, the general mortgage and supplemental mortgages executed by the Missouri, Kansas and Texas Railway Company, and the several mortgages executed by the other companies. together with the conveyances made by said companies to the Missouri, Kansas and Texas Railway Company.

AN ACT

In relation to the "Missouri, Kansas and Texas Railway Company," late "Union Pacific Railway Company, Southern Branch."

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That the Missouri, Kansas and Texas Railway Company, a corporation authorized by Congress to construct a railway into the Indian Territory, shall have the right to extend its railroad with its present gauge, together with its telegraph lines, from some convenient point on Red River between Preston and Doaksville, where its road shall cross from the Indian Territory into and through the State of Texas, in the general direction of Waco and Austin, to the Rio Grande, with a view to extending the same to Camargo and the City of Mexico; and also a right to construct a branch road from a point at or near its crossing to Red River westwardly to connect with the road of the Houston and Texas Central Railroad Company; and that said Company shall have the right of way two hundred feet in width through all public lands, with the right to take such rock, timber, earth and other material as may be needed in constructing its road and branches.

SEC. 2. *Be it further enacted*, In the event said Company shall complete fifty miles of its railway in the State of Texas within three years, and shall extend its road from some point on Red River to the Colorado river at or near the City of Austin within six years from and after the passage of this act, then the said State agrees to exempt and does hereby exempt from all taxation, whether State, county or municipal, the railroad of said Company and its appurtenances of every description: *Provided*, That such exemption shall only operate from the passage of this act, and until the period of two years shall have elapsed from the completion of such railroad to said city, and that thereafter said Company shall, in lieu of taxes of every description whatever, pay into the treasury of the State two per cent. per annum, upon the earnings of its road in Texas.

SEC. 3. *Be it further enacted*, That the said Company in constructing, extending and operating its railroad and branches, shall have and exercise, and are hereby vested with all the rights, powers, privileges and immunities granted by its acts of incorporation and

amendments thereto, so far as the same may be applicable to this State and not inconsistent with the constitution thereof, together with all the rights, powers, privileges, benefits and immunities conferred by all general laws now existing or that hereafter may be passed by the Legislature of the State of Texas in relation to railroad corporations, in same manner and to the same extent as if incorporated by this State; provided, the said Company shall keep an office within the State.

SEC. 4. *Be it further enacted,* That said Company shall have the right to purchase, sell, lease, join stocks, unite or consolidate with any connecting railroad company, by and with the approval and consent of a majority in interest of the stockholders in each company, and to acquire and merge into itself all or any part of the property, rights and privileges and franchises of such other company, upon such terms and conditions as may be agreed upon by their respective Boards of Directors.

SEC. 5. *Be it further enacted,* Inasmuch as said Company has not solicited special assistance in any form from the State, and only seeks not to be put in a more disadvantageous position than any other like corporation, it is hereby stipulated, and the faith of the State is pledged that no railway corporation subsidized by the State, and authorized to construct a line of railway in the same general direction with the line of said Company, shall construct any part of its railway within twenty miles of any part of so much of the line of said Company as may be completed and in actual use without the written consent of said Company, on the penalty of forfeiting to said Company the one-half of whatever State aid it may have obtained or may obtain for such part of its road as shall be constructed within the limits named, the said half to be delivered free of all cost to said Company, and of exemplary damages: *Provided,* That when such railway corporation shall cross or intersect said last mentioned line at some one point specified in its charter, thirty miles of the line of such corporation extending each way from the point of intersection shall be exempt from the operation of this section; and *provided* further, that the provisions of this section shall not apply to a line of road to be constructed on a direct line from Fulton, in Arkansas, or by way of Jefferson. in Marion county, direct to the cities of Austin and San Antonio, to the Rio Grande, at or near Laredo.

SEC. 6. *Be it further enacted,* That this act shall be taken notice

of as if it were a public and general statute, shall take effect from its passage, and shall be and continue in force for fifty years.

Passed August 2, 1870.

STATE DEPARTMENT,
AUSTIN, TEXAS.

I, James P. Newcomb, Secretary of State for the State of Texas, hereby certify that the foregoing is a true copy of the original enrolled bill now on file in my office.

Witness my hand and official seal at office in the city
[SEAL.] of Austin, this thirteenth day of August, A. D. 1870.

JAMES P. NEWCOMB,
Secretary of State.

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY.

GENERAL CONSOLIDATED MORTGAGE,

December 1, 1880.

THIS INDENTURE, made the first day of December, one thousand eight hundred and eighty, between the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, of the first part, and THE MERCANTILE TRUST COMPANY, organized under the laws of New York, of the second part:

WHEREAS, said Railway Company, under its former name of the Union Pacific Railway Company, Southern Branch, for the construction and equipment of its railroad, heretofore issued its bonds for the sum of one thousand dollars each, amounting in the aggregate to the principal sum of four million two hundred and fifty thousand dollars, and numbered from one to four thousand two hundred and fifty, both inclusive, all of which said bonds bear date the fourteenth day of November, one thousand eight hundred and sixty-eight, and are secured by a trust deed or mortgage of the same date, executed by said Railway Company to Russell Sage and N. A. Cowdrey, of the City of New York, and duly recorded in the State of Kansas, conveying the right of way, road, franchises, property, real and personal, and the lands granted to said Railway Company, and providing for the creation of a sinking fund for the payment of said bonds, as by reference thereto will more fully appear;

AND WHEREAS, the said Union Pacific Railway Company, Southern Branch, afterwards, and in pursuance of the power and authority conferred by the laws of the State of Kansas, changed its name to the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, the party of the first part to this indenture;

AND WHEREAS, there are now outstanding of the said bonds above described, two millions two hundred and ninety-six thousand dollars ($2,296,000), and no more;

And Whereas, The Tebo and Neosho Railroad Company, duly incorporated under an act of the General Assembly of the State of Missouri, approved March 12, 1859, for the purpose, among other things, of building, equipping and operating a railroad running from Sedalia, in Pettis county, State of Missouri, southwesterly to the boundary line between said State and the State of Kansas, did for that purpose issue its bonds for the sum of one thousand dollars each, amounting in the aggregate to the principal sum of two million dollars, and numbered from one to two thousand, both inclusive, all of which are dated the first day of June, one thousand eight hundred and seventy, and are secured by a trust deed or mortgage of the same date, executed by the said Company to the Union Trust Company, of the City of New York, conveying the said railroad, its rights, franchises and property, real and personal, and providing for the creation of a sinking fund for the payment of said bonds, as by reference to said trust deed or mortgage, duly recorded in the proper offices in the State of Missouri, will more fully appear;

And Whereas, after the issue of said bonds, and the execution of said trust deed or mortgage by the Tebo and Neosho Railroad Company, the said Company, by virtue of the power and authority conferred by the statutes of the State of Missouri, sold the railroad above described, and all the corporate rights and franchises held and owned by said Company, to the Missouri, Kansas and Texas Railway Company, and the said last named company became the owner thereof, and vested with all the corporate rights, powers and franchises appertaining thereto, and to the said Tebo and Neosho Railroad Company belonging, subject to the lien and operation of the trust deed or mortgage aforesaid last described;

And Whereas, there are now outstanding of the bonds last above described three hundred and forty-nine thousand ($349,000) dollars, and no more;

And Whereas, the party hereto of the first part did, on or about the first day of February, one thousand eight hundred and seventy-one, duly make, execute and deliver unto the Union Trust Company of New York a certain trust-deed or mortgage, known as a consolidated mortgage, whereby the said party of the first part did duly grant, bargain, sell, assign, transfer and convey unto the said party of the second part, the property, both real and personal and mixed, and the corporate rights, powers, franchises and privileges therein set forth and described, to have and to hold the same unto the said

Union Trust Company, its successor or successors, and assigns, in trust, to secure the payment of bonds in the sum of one thousand dollars each, amounting to the aggregate principal sum of fourteen millions of dollars, and numbered from one to fourteen thousand, both inclusive,. and for the uses, intents and purposes in the said indenture of mortgage fully expressed and declared, as by reference thereto, duly recorded, among other places, in the office of the Recorder of the County of Pettis, in the State of Missouri, will more fully and at large appear;

And Whereas, there are now outstanding of the said above authorized issue of fourteen millions of dollars, bonds for ten millions four hundred and ninety thousand dollars ($10,490,000,) and no more;

And Whereas, after the execution and delivery of the said trust-deed or mortgage, the said party of the first part did acquire and become the owner of certain other corporate railroad rights and franchises and property, real and personal, and did thereupon proceed under and pursuant to the Tenth Article of the said mortgage of February 1, 1871, to make a further issue of two thousand five hundred bonds, in the sum of one thousand dollars each, amounting to the aggregate principal sum of two millions five hundred thousand dollars, and numbered from fourteen thousand and one to sixteen thousand five hundred, both inclusive, and did thereupon make, execute and deliver to the said Union Trust Company an additional trust-deed or mortgage, bearing date the first day of June, one thousand eight hundred and seventy-two, whereby the said party of the first part did bring in the said certain other corporate railroad rights and franchises and property, real and personal, which the said party of the first part did so acquire, for the purpose and with the intent of securing the payment of the said further issue of bonds, equally and alike, upon the property of the said party of the first part, as by reference to the said trust deed or mortgage, and duly recorded as aforesaid, will fully and at large appear;

And Whereas, the whole amount of said last mentioned bonds, to-wit: Two millions five hundred thousand dollars ($2,500,000), and no more, are outstanding;

And Whereas, afterwards, and on or about the first day of November, one thousand eight hundred and seventy-two, the said party of the first part, for the purpose of providing for the construction of a branch of its railway from a point on its main line, at or near Fort

Gibson, in the Indian Territory, to Fort Smith, in the State of Arkansas, authorized a further issue of two thousand bonds, of one thousand dollars each, numbered from sixteen thousand five hundred and one to eighteen thousand five hundred, both inclusive, and did thereupon execute and deliver to the said Union Trust Company under and pursuant to the said Tenth Article of the said mortgage of February 1, 1871, an additional trust-deed or mortgage, bearing date the first day of November, one thousand eight hundred and seventy-two, and conveying all its rights, franchises and privileges in respect to said branch railway, known as the Fort Smith Branch, as by reference to said trust deed or mortgage, now being in the proper custody of said Union Trust Company, will more fully and at large appear;

And Whereas, there are outstanding of said last mentioned bonds, one million one hundred and eighty-two thousand ($1,182,000) dollars, and no more;

And Whereas, afterwards, and on or about the first day of June, one thousand eight hundred and seventy-three, the said party of the first part did acquire and become the owner of certain other corporate railroad rights and franchises and property, real and personal, of the Hannibal and Central Missouri Railroad Company, and did thereupon under and pursuant to the said Tenth Article of said mortgage of February 1, 1871, proceed to make a further issue of one thousand four hundred bonds, in the sum of one thousand dollars each, amounting to the aggregate principal sum of one million four hundred thousand dollars, and numbered from sixteen thousand five hundred and one to seventeen thousand nine hundred, both inclusive, and did thereupon make, execute and deliver to the said Union Trust Company an additional trust deed or mortgage, bearing date the first day of June, one thousand eight hundred and seventy-three, whereby the said party of the first part did bring in the said above mentioned corporate railroad rights and franchises and property, real and personal, which the said party of the first part did so acquire, for the purpose and with the intent of securing the payment of the said further issue of bonds upon the property of the said party of the first part, as by reference to the said trust deed or mortgage, duly recorded, will fully and at large appear;

And Whereas, the said property thus acquired from the Hannibal and Central Missouri Railroad Company, was acquired subject to two mortgages thereon, amounting in all to eight hundred thousand ($800,000) dollars, all of which are now outstanding, but for which a

like amount, to-wit, $800,000 of the said above mentioned issue of June 1, 1873, was set aside and placed with the Union Trust Company where they now remain in trust, to exchange for the said $800,000 of the Hannibal and Central Missouri Railroad Company bonds; the remaining six hundred thousand ($600,000) dollars of the said issue of June 1, 1873, are now outstanding;

And Whereas, the party hereto of the first part, afterwards, and on or about the first day of April, 1876, did make, execute, and deliver to the said Union Trust Company, as Trustee, a mortgage of that date, known, and generally designated, as the Second or Income Mortgage upon the seven hundred and eighty-six miles of completed road then owned and operated by the said party of the first part, and the franchises pertaining to the said seven hundred and eighty-six miles of completed road; said Income Mortgage reciting and setting out therein a certain agreement of March 1, 1876, and providing for the purpose of carrying said agreement into effect for the issue of a series of bonds amounting in the aggregate to ten millions of dollars ($10,000,000);

And Whereas, at the date of this Indenture there have been issued under the said Income Mortgage of April 1, 1876, bonds amounting to the sum of eight millions of dollars, or thereabouts;

And Whereas, some further issue of said Income Bonds may be hereafter made, under and pursuant to the said Income Mortgage, not, however, exceeding the amount limited therein;

And Whereas, under the provisions of said Income Mortgage, past due coupons and scrip certificates for such coupons, as provided in Sixth Article thereof, are outstanding at the date of this Indenture to the amount of two millions of dollars ($2,000,000), or thereabouts;

And Whereas, pursuant to the said Income Mortgage, other scrip certificates may hereafter be issued as therein provided;

And Whereas, by virtue of the laws of the State of Kansas, of the State of Missouri, of the State of Texas, and of certain laws enacted by the Congress of the United States, the party of the first part is the owner of a line of railway completed and operated between the following points, to-wit: From Hannibal, in the State of Missouri, extending southwesterly through said State, *via* Sedalia, to and into the southerly portion of the State of Kansas, and to the southern boundary line thereof, and thence through the Indian Territory to Denison, in the State of Texas; also, a line extending from Parsons, Kan-

sas, northeasterly to Junction City, in said State of Kansas, and also a line extending from Holden, Missouri, to Paola, in the State of Kansas, being in all seven hundred and eighty-six miles of railway, more or less, and which is hereinafter more particularly described, and to which the lien of the said mortgages of February 1, 1871, and April 1, 1876, extends and is limited;

And Whereas, the party of the first part, under and by virtue of the laws of the States of Missouri, Kansas, and Texas, and the acts of Congress of July 25 and 26, 1866, is entitled to build or acquire branches and extensions of its constructed and existing line of railway;

And Whereas, the said party of the first part is free from floating debts, except for such amount as is herein provided for; but whereas the said party of the first part will require the money herein contemplated to be raised in order to exchange, retire, or provide for its above recited existing bonded or funded indebtedness, as hereinafter provided, and in order to complete its railway system, so that it can transact the railway business of the rapidly growing regions naturally tributary to its lines, and for that purpose, as well as to hold and protect the value of its franchises, property and business, the said party of the first part contemplates the construction and acquisition of extensions and branches of its existing road, including such extensions and branches as are now authorized, and such as may be hereafter authorized; the construction and completion of road, as aforesaid, to include the making of betterments on existing or future acquired or constructed road; the procuring of rights of way, depot grounds, the erection of machine shops, depots, the purchase of equipment, and the acquiring of all the usual appurtenances of a railway, and the usual and proper facilities for the transaction of the business of its railway;

And Whereas, the stockholders of the party of the first part at their annual meeting held on the 19th day of May, 1880, adopted a resolution authorizing the creation of a General Consolidated Mortgage upon the franchises and property of the party of the first part, to secure a contemplated issue of bonds to the amount of forty-five millions of dollars ($45,000,000), for the purposes aforesaid recited, and in this instrument hereinafter more fully stated and described;

And Whereas, similar action was taken by the stockholders of the party of the first part at a special meeting thereof duly convened

and held at Parsons, Kansas, on the 17th day of November, 1880, authorizing the execution of this Indenture;

And Whereas, this Indenture has also been authorized by the action of the Board of Directors of the party of the first part;

And Whereas, in pursuance of said resolution and authority and as authorized to do by law, the party of the first part has determined to issue said bonds to the extent of forty-five millions of dollars ($45,000,000), and to secure the payment of the same, principal and interest, by this deed of trust; the said bonds to be payable, principal and interest, in gold coin of the United States, of or equal in weight and fineness to the present standard; the said bonds to stand equally and ratably secured hereby without any preference whatever arising from time of issue or otherwise, and to be issued as required for the purposes aforesaid, and in manner and on the conditions as herein provided, and each of said bonds to be duly executed by and under the seal of the party of the first part, signed and attested by its President and Secretary, and the interest warrants to be authenticated by or with the name of the Secretary, and upon each of said bonds being so signed, sealed, executed and authenticated, they are to be countersigned or certified by the said party of the second part in its capacity as Trustee, which countersigning or certifying shall be conclusive, and the only sufficient proof that the said bond is secured by this Indenture, and each of which bonds is substantially in the following form:

United States of America.

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY.

GENERAL CONSOLIDATED MORTGAGE BOND.

No. ——— $1000.

Forty years after date, for value received, the Missouri, Kansas and Texas Railway Company, a corporation created by the laws of Kansas, and under the authority of Acts of Congress and of the Legislatures of the States of Missouri, Kansas, and Texas, owning lines of railway in said States and through the Indian Territory, promises to pay in gold coin of the United States of America, of or equal to the present standard of value, to the holder of this bond, or in case this bond be registered, then to the registered owner thereof, at its finan-

cial agency in the City of New York, one thousand dollars, and also interest thereon, at the rate of six per centum per annum, payable semi-annually in like gold coin, on the first days of June and December in each year, on the presentation and surrender of the respective interest coupons hereto annexed at the financial agency aforesaid.

This bond is one of a series of forty-five thousand bonds, each of the denomination of one thousand dollars, numbered from one to forty-five thousand inclusive, the payment of the principal and interest of which is secured by a deed of trust, of even date herewith, conveying to the Mercantile Trust Company, in trust for the holders of said bonds, the entire railways, rolling stock, equipment, franchises, leaseholds, lands and land grants, property and income of said Company, as specified in said deed of trust.

If default shall be made in the payment of any semi-annual installment of interest on this bond when the same shall become due, and be demanded, and shall remain unpaid for six months after such demand, the principal of this bond shall become due and payable in the manner provided in the said deed of trust. The said Company and all of its property is liable to pay this bond, but stockholders of the Company are not individually liable thereon or in respect thereto.

Said Company hereby waives the benefit of any extension, stay, or appraisement laws now existing, or that may hereafter exist.

This bond is to be valid only when authenticated by a certificate indorsed hereon, signed by the Trustee, to the effect that it is one of the bonds secured by the said deed of trust.

In Witness Whereof, the said Company has caused its corporate name to be hereto signed by its President, and its corporate seal to be hereunto affixed, attested by its Secretary, this the first day of December, 1880, and the annexed interest coupons to be executed with the engraved signature of its Secretary.

Missouri, Kansas and Texas Railway Company,

Attest: By ——— ———, *President.*

——— ———, *Secretary.*

FORM OF COUPON OR INTEREST WARRANT.

No. ——— $30.00.

The Missouri, Kansas and Texas Railway Company will pay the bearer, at its financial agency in the City of New York, Thirty Dollars in United States gold coin, on the day of 188 , being six months' interest then due on its General Consolidated Mortgage Bond, No.

——— ———, *Secretary.*

And each of said bonds shall have endorsed thereon the following Certificate of the Trustee:

"TRUSTEE'S CERTIFICATE."

"It is hereby certified that the within bond is one of the bonds secured by the said deed of trust within mentioned.

——— ——— *Trustee.*"

Which said bonds shall also have endorsed thereon the following, viz:

"This bond shall pass by delivery or by transfer on the books of said Company in the City of New York; after registration of ownership certified hereon by the transfer agent of said Company, no further transfer except on the books of the Company shall be valid, unless transferred to bearer on said books, after which this bond shall pass by delivery as at first, but shall continue subject to registration and transfer to bearer successively, at the option of each holder."

NOW THEREFORE, THIS INDENTURE WITNESSETH, that the said party hereto of the first part, for and in consideration of the premises, and of the sum of one dollar to it duly paid by the party hereto of the second part, and in order to secure the payment of the principal and interest of the bonds secured hereby according to the tenor thereof, and in the manner herein provided, hath granted, bargained, sold, assigned, transferred and conveyed, and by these presents doth grant, bargain, sell, assign, transfer and convey unto the said party of the second part, its lawful successor or successors, in the trust hereby created, and assigns:

First.—All and singular the railroad, as the same is constructed and operated, extending from Junction City, in Davis county, and State of Kansas, down the valley of the Neosho River, through the counties of Davis, Morris, Lyon, Coffee, Woodson, Allen, Neosho and Labette, to a point on the southern boundary line of said State, between the Neosho river and the western boundary of Labette county, a distance of one-hundred and eighty two miles, more or less.

And also all the right, title and interest which the party of the first part has, by reason of the construction of said line of said road, to and in any land or lands heretofore granted by any act of Congress to the State of Kansas to aid such construction, the said lands being

the same, or so much thereof as remained unsold at the date hereof, which were granted by acts of Congress to the State of Kansas, and by said State to the Union Pacific Railway, Southern Branch, as set forth in the said mortgage executed by the party of the first part to the Union Trust Company, bearing date February 1, 1871, to which reference is hereby made, and also all the right, title and interest of the said party of the first part in and to the proceeds of such of said lands as may have been sold, which heretofore belonged to the said railway company, or in which the said company was in any way interested, and which are now unexpended and unapplied; and also all the right, title and interest of the said party of the first part in and to any proceeds of lands granted to the State of Kansas by act of Congress, entitled, "An Act to appropriate the proceeds of the sale of public lands, and to grant pre-emption rights," approved September 4, 1841, and heretofore sold by said State, under and by virtue of an act of the Legislature of the State of Kansas, entitled "An Act providing for the sale of public lands to aid in the construction of certain railroads," approved February 23, 1866; and also all the right, title and interest of the party of the first part in and to such of the lands granted by the act of Congress aforesaid, which were heretofore sold and conveyed by the State of Kansas to the Land Grant Railway and Trust Company, and by said company to the party of the first part, together with all and singular the tenements, hereditaments, rights, privileges, easements, income advantages and appurtenances to the said lands and premises belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and also all the estate, right, title and interest, property, claim and demand whatsoever, at law or in equity, of the said party of the first part, of, in and to the same, and any and every part or parcel thereof situated in the State of Kansas.

Second.—Also, all and singular the said line of railroad, constructed and operated from the said southern boundary line of the State of Kansas, southerly through the Indian Territory to the southern boundary line of the State of Texas, to a point at or near the town of Denison, in said State, a distance of two hundred and fifty miles, more or less; and also all the right, title and interest which the party of the first part now has or may hereafter acquire by reason of constructing the extension of the said line of railroad through the Indian Territory, in and to any lands granted by the acts of Congress aforesaid, or which the said party of the first part now has or may

hereafter acquire under and by virtue of a treaty or treaties from any Indian nation or tribe, or otherwise, howsoever, appertaining to the aforesaid extension, together with all the rights, privileges, tenements, hereditaments and appurtenances that may belong or appertain thereto; the land granted under said acts of Congress being ten alternate sections of land on each side of said railroad.

WHEREAS, the party of the first part in the mortgage of the Union Pacific Railway Company, Southern Branch, of November 14, 1868, to Russell Sage and N. A. Cowdrey, Trustees, included therein, among other property, the lands therein described;

AND WHEREAS, the party of the first part in the said mortgage of February 1, 1871, to the said Union Trust Company included among other property, the lands and land grants therein mentioned and described;

AND WHEREAS, bonds under the two last named mortgages remain outstanding and unpaid as hereinbefore recited;

AND WHEREAS, provision is made in the said mortgages in respect to the sale of said lands, and the appropriation of the proceeds thereof to the payment of the bonds secured by the said several mortgages in manner and form as therein respectively set forth;

AND WHEREAS, the proceeds of said sale are, in law, applicable to the payment of the bonds under the said mortgages before any portion thereof can be applied to or taken for the payment of bonds issued under this Indenture;

AND WHEREAS, while the bonds or any portion of them under the said two mortgages are outstanding and unpaid, it would cause inconvenience and trouble to require all contracts, deeds and conveyances to be signed by the Trustee under this Indenture;

NOW IT IS EXPRESSLY AGREED by and between the parties hereto, that, while any of the bonds under the said two mortgages, or either of them, above mentioned, remain outstanding and unpaid, the lands in the said mortgages described, or any part of them, may be sold in accordance with the provisions in the said mortgages contained, and the proceeds applied to the payment of the bonds secured thereby the same as if this Indenture had not been made, and as to the same this Indenture shall constitute no lien after such sale has been made upon the lands in the hands of the purchaser or purchasers thereof, and no release or conveyance by the party of the second part hereto

is or shall be necessary to give title to the purchaser or purchasers thereof free from the lien of this Indenture, anything in the above clauses First and Second to the contrary notwithstanding.

And it is further expressly agreed by and between the parties hereto, that when the bonds secured by the said two mortgages above mentioned are fully paid or retired and cancelled, and the said mortgages satisfied, that then and in such case all of the provisions of the Ninth Article of the said mortgage of February 1, 1871, shall be considered and taken as a part of this instrument as fully to all intents and purposes as if it were incorporated herein, substituting, however, the party of the second part hereto in the place of the said Union Trust Company, and the bonds issued hereunder in place of those issued under the said mortgage of February 1, 1871; provided, however, that the proceeds of the sales of said lands, less taxes and the expenses of selling said land, shall be used to pay the interest on the bonds secured hereby as the same shall, from time to time, fall due.

Third.—All and singular the railroad, as the same is now constructed, extending from Sedalia, in Pettis county, in the State of Missouri, to the western boundary of said State, a distance of one hundred miles, more or less, being the railroad acquired by the party of the first part by purchase from the Tebo and Neosho Railroad Company, as hereinbefore mentioned.

Fourth.—All and singular the railroad which the party of the first part acquired from the Labette & Sedalia Railway Company which is now constructed from the town of Parsons, in Labette county, in the State of Kansas, on the main line of the railroad of the party of the first part, northeasterly, through Labette, Neosho, Crawford and Bourbon counties, to the boundary line between the States of Kansas and Missouri, and to the point in said boundary line, where the same intersects the railroad acquired by the said party of the first part, from the Tebo and Neosho Railroad Company, as aforesaid, a distance of sixty miles, more or less.

Fifth.—All and singular the railroad constructed from the town of Holden, on the Missouri Pacific Railroad, in the county of Johnson, State of Missouri, thence into and through the municipal township of Camp Branch, and into and through the municipal township of Grand River, and into and through the corporate limits of the City of Harrisonville, in Cass county, and thence to the western boundary line of the State of Missouri, in the direction of the town of Paola, in the State of Kansas, a distance of about thirty-eight miles, subject to the

existing lease thereof to the Missouri Pacific Railway Company, together with all lands, tenements, and hereditaments acquired or to be acquired, for rights of way for the said portion of railroad hereby conveyed, and all the appurtenances thereto belonging, and also all lands acquired and appropriated, or to be acquired and appropriated, for depots, superstructures, buildings, erections, and fixtures on the said line of railroad, and all tracks, bridges, viaducts, culverts, fences, and all houses and buildings thereon or appertaining thereto.

Sixth.—So much of the line of railway heretofore belonging to the Neosho Valley and Holden Railway Company, and heretofore consolidated and made one corporation, with and under the name of the party hereto of the first part, as extends from the point, on the eastern boundary line of the State of Kansas, where the railway last above mentioned crosses said boundary line from Cass county, Missouri, to the town of Paola, Kansas, a point on the line of said road, distant fifteen miles westerly from said boundary line, subject to the lease last aforesaid mentioned, together with all lands, tenements and hereditaments acquired or to be acquired for rights of way for the said portinn of railroad hereby conveyed, and all appurtenances thereto belonging, and also all lands acquired and appropriated, or to be acquired or appropriated, for depots, superstructures, buildings, erections, and fixtures on the said line of railroad, and all tracks, bridges, viaducts, culverts, fences, and all houses and buildings thereon or appertaining thereto.

Seventh.—All and singular the railroad of the party hereto of the first part, now constructed and in operation, extending from Sedalia, in the State of Missouri, northerly to Moberly, in said State, a distance of seventy-two miles, being a part of the railroad of the Tebo and Neosho Railroad Company, conveyed to the said party of the first part, more particularly described in the first additional mortgage, made by the party of the first part, to the said Union Trust Company, dated June 1, 1872, to which reference is hereby made, together with all the rights, powers, privileges, and franchises belonging or in anywise appertaining thereto.

Eighth.—The entire railroad of and belonging to the said party of the first part, situate, lying, and being and extending from its eastern terminus in the City of Hannibal, in the State of Missouri, westerly through the counties of Marion, Ralls and Monroe, to the town of Moberly, in the county of Randolph, as the same has been hereto-

fore and is now constructed, maintained and operated, being seventy miles in length.

And also, all lands and real estate of every kind and nature, and wheresoever the same may be situate, of or belonging to the said party of the first part, and owned, used, occupied, and enjoyed in the construction, maintenance and operation of said last described railroad, together with all depots, station-houses, freight-houses, car-houses, machine shops, cattle yards, all other buildings, erections, tenements, structures, and fixtures, and all machinery, tools, rails, ties, tracks, bridges, viaducts, culverts, fences, or other constructions, or superstructures to the said railroad belonging or appertaining thereto.

All of the said aforesaid described railroads taken together being about seven hundred and eighty-six miles in length.

Any lands or land scrip certificates to which the party of the first part is or may hereafter be entitled, or shall receive by reason of the construction of railroad in Texas, are not covered by this Indenture or the lien thereof, but may be sold by said party of the first part, which party, however, hereby covenants to use the proceeds of any such sale strictly in payment of the interest or principal of the bonds issued under and secured by this Indenture.

Ninth.—And also all the following property, real and personal, now owned, or which may be at any time hereafter acquired by the party of the first part, for the use of any or all the railroads above described, namely, all the lands, tenements, and hereditaments, and rights of way, and all lands appropriated for depots, superstructures, buildings, erections and fixtures; and also all tracks, bridges, viaducts, culverts, fences and other structures, depots, engine-houses, car-houses, freight-houses, wood-houses and other buildings; and all machine shops and other shops; and also, all locomotives, tenders, cars and other rolling stock or equipments; and also, all machinery, tools, implements, fuel, supplies and materials for constructing, operating, repairing or replacing the said railroads, or any or either of them; and also, all corporate and other franchises, powers, rights and privileges now held and owned by the party of the first part, pertaining to the said seven hundred and eighty-six miles of constructed road.

And Whereas, the party of the first part, under and by virtue of the laws of the States of Kansas, Missouri and Texas and the afore-

said Acts of Congress of July 25 and 26, is entitled to build or acquire by purchase, consolidation or otherwise, extensions and branches of its said road in the said States and in the Indian Territory.

And Whereas, the party of the first part, under the Act of the Texas Legislature passed August 2, 1870, is authorized to extend its railroad from its present terminus at Denison through the State of Texas to the Rio Grande River, with a view of extending the same to the City of Mexico, and has also the right to construct branches in the said State of Texas, by virtue of said last mentioned act, and the right to purchase, join stocks and unite or consolidate with any connecting railroad company with the approval and consent of a majority in interest of the stockholders, and to acquire and merge into itself all or any part of the property, rights, and privileges and franchises of such other company as therein provided;

And Whereas, the said party of the first part has resolved to extend its line to the Rio Grande, either by direct or sole construction on its own account, or by joint construction or arrangement with other companies, as may be found most expedient, and likewise to build or acquire other branches and extensions in Texas and elsewhere;

And Whereas, franchises pertaining to road not now constructed are not embraced in the said mortgages of February 1st, 1871, and April 1st, 1876, which point has been so adjudged and decided by the United States Circuit Court for the District of Kansas;

And Whereas, to provide the means for building and acquiring such branches and extensions, an issue of bonds, to be secured by this Indenture, at the rate of not exceeding twenty thousand dollars per mile of road, has been authorized by the Board of Directors and by the stockholders of the party of the first part, at the meetings hereinbefore referred to;

Now, therefore, the said party of the first part (in addition to the seven hundred and eighty-six miles of road hereinbefore particularly described, in respect to which the said mortgages of February 1st, 1871, and April 1st, 1876, to the extent of all valid and subsisting indebtedness thereunder or authorized thereby, are prior in lien to this Indenture), doth, by these presents, grant, bargain, sell, assign, transfer and convey unto the said party of the second part herein, all of its franchises under the said Texas Act of August 2d,

1870, before referred to, in respect to the line of road to be constructed or acquired, from the existing terminus of its road at Denison to the Rio Grande, and all branches which it is authorized or may hereafter be authorized to construct in the State of Texas, and in the Indian Territory, and in the States of Missouri, Kansas and elsewhere, and all and singular its railroads and branches to be constructed or acquired under its existing charters, constituent acts, or any amendments thereof, and also including in the grant and conveyance herein and hereby made, all roads now owned by it and all that it may hereafter own, whether built by itself or acquired by purchase, consolidation or otherwise, and all leasehold rights which may be acquired in other roads, and all rights acquired or to be acquired in other roads, under contracts for the sole or joint use thereof by the party of the first part, and also all the lands, tenements and hereditaments acquired or appropriated, or which may hereafter be aquired or appropriated for the purpose of a right of way for said railroad, its extensions and branches, and all the easements or appurtenances thereunto belonging or in anywise appertaining, and all railways, ways and rights of way, depot grounds, tracks, bridges, viaducts, culverts, fences and other structures, depots, station-houses, engine-houses, car-houses, freight-houses, wood-houses, ware-houses, machine shops, workshops, superstructures, erections and fixtures, whether now held or hereafter at any time acquired for the use of said railroad, its extensions and branches, or in connection therewith, or the business thereof, also all locomotives, tenders, cars and other rolling stock or equipments, and all rails, ties, chairs and machinery, tools, implements, fuel and materials whatsoever, for or in respect of the constructing, operating, repairing, or replacing said railroad or any part thereof, or convenient or necessary for use for the purposes thereof, whether now held and owned or hereafter to be acquired by the said party of the first part, together with all the equipments or appurtenances whatsoever thereunto belonging, whether now held or hereafter acquired, and all franchises connected with or relating to said railroad, its extensions and branches, or the construction, maintenance or use thereof, now held or hereafter acquired by the party of the first part, and all corporate franchises of any nature relating thereto, including the franchise to be a corporation and operate said railroad, which are now or may hereafter be possessed or exercised by the party of the first part, together with all and singular the endowments, income and advantages, tenements, hereditaments and appurtenances to the above-

mentioned railroad premises or property belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, tolls, incomes, rents, issues and profits thereof; and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, in law as well as in equity, present or prospective, of the said party of the first part, of, in and to the same and every part and parcel thereof, with the appurtenances; TO HAVE AND TO HOLD, The above described premises, property, rights, franchises and appurtenances unto the said party of the second part, and its successors and assigns forever, to the only proper use, benefit and behoof, of the party of the second part, its successors and assigns.

IN TRUST, NEVERTHELESS, for the equal *pro rata* benefit and security of all and every the persons or corporations who may be or become holders of any of the bonds issued hereunder, without any preference or priority of any one bond over another, or by reason of priority in time of issue or of negotiation thereof, or otherwise, and for the uses and purposes herein declared and expressed.

The said Railway Company, the said party of the first part, hereby covenants and agrees to and with the said trustee, the said party of the second part, for the benefit of the bondholders secured hereby, that it will pay *all lawful taxes and assessments* upon said property hereby mortgaged, at any time legally levied and assessed thereon; that *it will suffer no mechanics', statutory or laborers' liens*, which shall have priority to this mortgage, to be created or placed on any part or portion of said railways, or any part of the estate and property hereby mortgaged, to the end that the priority of this Indenture shall, at all times, be maintained; that it shall and will, at all times, when demanded by the trustee, *keep insured* its rolling stock, tools and machinery, its buildings, bridges, and all other structures erected, or to be erected, on the aforesaid premises, and all other property provided for use in connection with the said railways herein described, usually insured by railway companies, and in the same manner, and to the same extent; and that it shall and will diligently *preserve all the rights and franchises* to it granted and upon it conferred, and shall and will, at all times, maintain, preserve and keep the same, and every part thereof, with the rolling stock, fixtures and appurtenances, and every part and parcel thereof, in good repair, working order and condition, and supplied with all necessary motive power, rolling stock and equipment, and shall and will, from time to time, make all needful and proper repairs, renewals and replace-

ments, useful and proper alterations, additions, betterments and improvements.

And the said Railway Company further covenants, that it *will not issue*, negotiate, sell, or otherwise dispose of *the consolidated bonds* to be issued hereunder, *in any manner inconsistent with the provisions of these presents* and its covenants and agreements in that behalf herein contained, and that it will apply the proceeds thereof exclusively for the purpose herein stated and provided for.

And for the purpose of securing to the holders of any of the said bonds to be issued hereunder, that none of said bonds shall be issued except as herein provided, it is hereby stipulated and agreed by the said party of the first part, that the said *trustee herein*, or his successor or successors in said trust, *shall certify and deliver said bonds only as follows:*

Section First.—Bonds numbered from one to twenty-two hundred and ninety-six, both inclusive, amounting in the aggregate to two million two hundred and ninety-six thousand ($2,296,000) dollars, or so many thereof as shall be necessary, are to be issued and used only in exchange for bonds equal in amount and now outstanding heretofore issued by the Union Pacific Railway Company, Southern Branch.

Section Second.—Bonds numbered from twenty-two hundred and ninety-seven to twenty-six hundred and forty-five, both inclusive, amounting in the aggregate to three hundred and forty-nine thousand ($349,000) dollars, or so many thereof as shall be necessary, are to be issued and used only in exchange for bonds equal in amount and now outstanding, heretofore issued by the Tebo and Neosho Railroad Company.

Section Third.—Bonds numbered from twenty-six hundred and forty-six to thirty-four hundred and forty-five, both inclusive, amounting in the aggregate to eight hundred thousand ($800,000) dollars, or so many thereof as shall be necessary, are to be issued and used only in exchange for bonds equal in amount, and now outstanding, heretofore issued by the Hannibal and Central Missouri Railroad Company.

Section Fourth.—Bonds numbered from thirty-four hundred and forty-six to eighteen thousand two hundred and seventeen, both inclusive, amounting in the aggregate to fourteen millions seven hundand seventy-two thousand ($14,772,000) dollars, or so many thereof as shall be necessary, are to be issued and used in exchange for bonds

equal in amount and now outstanding, heretofore issued by the party of the first part under its said Consolidated Mortgage of February 1, 1871, and the several additional mortgages hereinbefore recited as having been executed under and pursuant to the Tenth Article of the said last mentioned mortgage; but the said bonds may also be issued and used as hereinafter provided in Section Thirteenth of this Indenture.

Section Fifth.—In case the present outstanding issues of bonds, under the said mortgage of February 1st, 1871, and the several additional mortgages shall be increased by reason of the exchange therefor as therein provided, of the underlying or divisional mortgages therein mentioned, and hereinbefore referred to in Articles first, second and third, then the bonds set apart and reserved as above for exchange of the said several underlying or divisional mortgage bonds in said Articles first, second and third, may be issued and used in exchange for the said consolidated bonds, issued to take up such divisional mortgage bonds.

Section Sixth.—Bonds numbered from eighteen thousand two hundred and eighteen to twenty-eight thousand two hundred and seventeen, both inclusive, amounting in the aggregate to ten millions ($10,000,000) dollars, and hereby set apart and reserved for the purpose of retiring on such plan and terms as may be adopted by the Board of Directors of the party of the first part, the Income bonds issued, or which may be issued under the the mortgage of April 1st, 1876, and the Coupons or Scrip Certificates representing interest accrued thereon, pursuant to the terms of the said last mentioned mortgage, to the extent to which the same are or shall be valid subsisting debts against the party of the first part; and if the Board of Directors shall resolve to issue bonds for the purpose in this section mentioned at a less rate of interest than six per cent. per annum, the said bonds shall bear the numbers above specified in this section, and the same and the coupons shall be in the same form as the six per cent. bonds and coupons, except only such changes therein as may be made necessary because of the change in the rate of interest.

Section Seventh.—Until the provisions herein made and to be made hereunder for the exchange of bonds hereunder for outstanding bonds, coupons, and scrip certificates shall have been actually accepted by the holders of such securities, such holders shall have no right to compel the party of the first part to give them the benefit of

such provisions for the exchange of bonds issued hereunder for such outstanding bonds, coupons, and scrip certificates.

Section Eighth.—Bonds numbered from twenty-eight thousand two hundred and eighteen to thirty thousand two hundred and seventeen, both inclusive, amounting in the aggregate to $2,000,000, may be issued and used for the purpose of providing such new equipment and rolling stock and new additions to the property as the business of the party of the first part may require; and any part of said amount of $2,000,000, which, in the judgment of the Board of Directors, is not required for such purposes, may be used to pay any of the debts, obligations, or liabilities of the party of the first part, and bonds therefor may be certified by the Trustee on the resolution of the Board of Directors or Executive Committee of the party of the first part.

Section Ninth.—The remaining bonds, being those numbered from thirty thousand two hundred and eighteen to forty-five thousand, both inclusive, and amounting in the aggregate to fourteen millions, seven hundred and eighty-three thousand ($14,783,000,) dollars, are to be issued and used at not exceeding the rate of twenty thousand dollars per mile, in securing the construction and acquisition, or either, of the extensions and branches in the State of Missouri, Kansas, Texas, and elsewhere, and in the Indian Territory, and into the Republic of Mexico, now authorized, or which may hereafter be authorized by the charters and constituent acts or amendments thereof, of the party of the first part, or concessions or authority therefor hereafter granted to or acquired by the party of the first part; bonds to be issued and delivered at the aforesaid rate per mile by the Trustee hereunder, in the case of extensions or branches constructed by the party of the first part, as sections of ten miles or more are completed, upon filing with said Trustee a certificate of the excecutive officer or chief engineer of the party of the first part, to the effect that so much of such extensions or branches have been properly constructed and completed; and in the case of the acquisition by purchase or consolidation of constructed roads in good condition and repair, ready for use, bonds shall be issued and delivered by the Trustee hereunder, at not exceeding the said rate of twenty thousand dollars per mile for each mile of road so acquired, upon the filing with said Trustee of a certificate of the President of the party of the first part, to the effect that such roads have been purchased or acquired and made a part of the property of the party of

the first part; provided, however, that if any railroad or railroads thus purchased or acquired shall, at the time of such acquisition, be subject to the lien of any trust deed or mortgage theretofore made to secure bonds then outstanding, no more bonds shall be issued hereunder than such an amount as shall, together with such outstanding bonds, be equal to the rate of twenty thousand dollars per mile.

But it is understood, however, that if the party of the first part shall acquire what is known as the road of the Missouri, Kansas and Texas *Extension* Railway Company, so that the same becomes subject to the lien of these presents, said party of the first part may issue and the Trustee certify bonds hereunder, at a rate not exceeding twenty thousand dollars per mile, if the mortgage executed by the said Extension Company is cancelled.

If said road is acquired and the mortgage is not cancelled, said party of the first part may issue, and the Trustee certify bonds hereunder, at the rate of twenty thousand dollars per mile, including the bonds issued under the mortgage made by the said Extension Company.

Section Tenth.—It is hereby expressly understood and agreed between the parties hereto, that the party of the first part may have and exercise the right, at its option, of selling for cash the whole or any portion of the bonds amounting to $14,783,000, referred to in Article Ninth, provided that such sale shall not be made at less than eighty per cent. of the par value of said bonds, and the proceeds thereof shall be deposited with the Trustee hereunder, to be used and paid over in lieu of the bonds, for newly constructed or acquired roads.

And it is hereby further agreed, that the party of the first part may, should it deem it expedient so to do, use and apply such portion of the said bonds set apart in Article Ninth, for the purchase of such rails and equipment for newly constructed road as may be deemed necessary, the title thereto to be vested in the Trustee hereunder, until such rails have been placed in the track, such equipment delivered upon the line of the party of the first part, and both the railway as constructed, and equipment as delivered, have been duly accepted by the party of the first part.

The bonds thus used and appropriated in advance of construction, to be deducted in future settlements from the amount of bonds in this Indenture authorized to be delivered per mile of completed road.

Section Eleventh.—In case of the construction or acquisition by the party of the first part of any portion of its extension or branches, now or hereafter authorized on equal joint account with any other railroad company or companies, then the issue out of bonds set apart in Article Ninth, on the interest of the party of the first part in such jointly constructed road or roads, shall be limited to a rate not exceeding ten thousand dollars per mile of completed road, or in case of unequal interest in such joint construction, then in the proportion that the interest of the party of the first part bears to twenty thousand dollars per mile.

Section Twelfth.—It is further mutually agreed, by and between the parties hereto, that if the said party of the first part shall, in addition to the roads and branches above contemplated and provided for, determine under any right or franchise, now owned by it, or hereafter acquired by it, still further to extend its road into Mexico or elsewhere, or build branches of its road, or become the owner or permanent lessee of any other railroad already constructed, then, for every such extension and branch and every such railroad constructed or to be constructed, or acquired, or permanently leased, a further issue of bonds, in addition to the forty-five millions of dollars above herein provided for, may be made hereunder by the said party of the first part, the aggregate amount of which shall not exceed the rate of twenty thousand dollars for every mile of road, thus constructed, or acquired, or leased, such bonds to be issued in the same proportions and upon the same conditions as hereinbefore provided in Section Ninth for the issue of the bonds to which said section relates; and in case said bonds are sold, the proceeds to be paid over to the Trustee as in Section Tenth provided. And all such bonds shall be of the same tenor as that provided for in the form of bond hereinbefore set forth, subject only to necessary variation in the form thereof and as to the distinguishing numbers and the dates thereof, and shall bear numbers running from the number forty-five thousand upwards.

And the said party of the first part hereby agrees to execute and deliver to the said party of the second part, its successor or successors, upon every such further issue of bonds, any further reasonable and necessary trust deed to bring in and subject to the conditions of these presents every such extended or future acquired road, and every other land and property, real or personal, that may hereafter be acquired by it for the purpose and with the intent of securing the payment of the said bonds composing every such increased issue, as well as the bonds hereinabove described, equally and alike upon the

property of the said party of the first part, with the interest due and to grow due thereon, in the same manner as if all said bonds had been originally secured by one and the same indenture.

Provided, however, that if any railroad or railroads which may hereafter be acquired in any of the modes aforesaid by the party of the first part shall, at the time of such acquisition, be subject to the lien of any trust deed or mortgage theretofore made to secure bonds then outstanding, no more bonds shall be issued hereunder on any such railroad or railroads than such amount as shall, together with such outstanding bonds, be equal to the rate per mile hereinbefore mentioned, to wit: twenty thousand dollars, but bonds may be issued hereunder on any such railroad or railroads in exchange for an equal amount of such outstanding bonds.

The provision of this Section of this Indenture with its limitations as to the amount of bonds per mile to be issued shall also extend to road which is acquired by the party of the first part by consolidation or transfer, or by a purchase of the majority of the shares of the Capital Stock of such road, provided that the road so acquired shall become and be made subject to the lien of this Indenture for the benefit of the bonds secured thereby, before bonds hereunder shall be issued and certified in respect thereof.

It is the intention to embrace in this mortgage all the road and branches now completed, as well as all that may be completed or acquired under the articles of association of the said railroad company, and any amendments thereto, to the end, that as the said roads and branches may be extended, the money to pay for such extension and branches may be raised by the issue of bonds under this Indenture, which provision, as to extensions and branches, shall apply to road which may be constructed in Mexico, if the lien hereof can and shall be effectually extended thereto; but if not, then this Indenture is not to be construed as covering or extending to the rights, franchises, road and property of this company in Mexico.

Section Thirteenth.—It is understood and agreed between the parties hereto, that in the event of any of the bonds issued under the said Consolidated Mortgage of February 1, 1871, and the several additional mortgages executed pursuant to Article Tenth thereof, being drawn for redemption by the operation of the Sinking Funds in said mortgages provided, the party of the first part may, at its option, use and apply the bonds set apart and reserved in Section Fourth of this Indenture to meet the annual payments into the said Sinking Funds,

and the annual interest accumulations upon the bonds constituting said Sinking Funds, provided, however, that the amount of bonds thus used and applied in any one year shall not exceed at their par value the sum of the yearly installments payable into said Sinking Funds, and the annual interest accumulations of said Funds for such year.

But in no case *shall any of the bonds be certified* by said second party or its successor, in said trust, *except upon written application of the party of the first part*, expressed through a resolution of its Board of Directors or Executive Committee adopted at a regular meeting or special meeting called for that purpose; wherein it shall be stated what amount of bonds are required at that time, and the purposes for which they are required, which resolution shall be the authority and sufficient authority to the Trustee to certify to the extent so required any of the bonds herein authorized.

And the said Railway Company, further *covenants* that it will, at all times hereafter, as long as any of the bonds to be issued hereunder shall remain outstanding, *keep an agency in the City of New York*, and that it will pay *the principal and interest* of the said bonds at the times and in the manner therein provided, and generally, do and perform all acts and things, promises and covenants, in this Indenture, on its part to be done and performed.

And it is hereby agreed and declared, that the aforesaid described premises, property, rights, interests and franchises hereby conveyed or mortgaged, are to be held by said Trustee and his successor or successors, upon and for *the trusts, uses and purposes* following, to-wit:

Article First.—This Indenture is upon the express condition, that if the said Railway Company, the said party of the first part, shall well and truly pay, or cause to be paid, to the holder or holders of said bonds, *the principal sums* of money therein mentioned, according to the true intent and meaning thereof with the interest thereon, according to the terms and conditions thereof and of the *interest coupons* thereto attached, then, and in that case, the lien or incumbrance hereby created for the security and payment thereof, and all the estate, right, title and interest of the said party of the second part in the property aforesaid, shall cease and determine, and at the request of the said party of the first part, or its assigns, this Indenture shall be satisfied and discharged, and a release and satisfaction thereof shall be entered of record in each and all of the several counties in which

this Indenture shall have been recorded, at the cost of the said party of the first part.

Article Second.—Until default shall be made in the payments of principal or interest, or some part of either principal or interest, as herein provided, the *said party of the first part shall possess, control, manage, operate, use, and enjoy the said railway's* rolling stock, equipments, franchises, real estate and other property, and shall receive, take and use the rents, incomes, profits and tolls thereof for its own uses and purposes, as if this Indenture had not been made.

But in case default shall be made in the payment of the principal or of any interest on any of the aforesaid bonds, issued under and secured by this instrument according to the tenor thereof, or of the coupons thereto attached, and if such default shall continue for the period of six months after demand in writing made for the payment of the same at the financial agency of the said party of the first part, aforesaid, in the City of New York, it shall be lawful, unless such default be waived as hereinafter provided for, the said Trustee, the said party of the second part, or its successor or successors in this trust, by itself, its attorneys, or agents, *to enter in and upon and take possession* of all and singular the railways, premises and property, rights and interests, hereby conveyed and mortgaged, or intended so to be, and each and every part thereof, and to exclude the said party of the first part and its agents wholly therefrom, and to hold and use the same, and to control, manage and operate, by its superintendents, managers, receivers, agents, servants, employes and attorneys, the said railways, and to manage and conduct the business thereof, and to make, from time to time, at the expense of the trust estate, all repairs and replacements, and such useful alterations, extensions, additions and improvements thereto, as well in respect to the rolling stock and equipments, as to the said railways and appurtenances, and all other matters and things which will promote the interest of the parties hereto, as may seem to it, the said Trustee, judicious and proper, and to collect and receive all tolls, freights, incomes, rents, issues, and profits of the same and every part thereof, and, after deducting the expenses of operating said railways and of conducting its business and paying all proper and legitimate debts and obligations, and for all repairs, replacements, alterations, extensions, additions, and improvements, as aforesaid, and all taxes, assessments, and other proper charges upon the said property and premises, or any part thereof, as well as a just and reasonable compensation for

its own services and the services of all agents, clerks, servants and other employes, properly engaged or employed, including reasonable attorneys' and solicitors' fees, then to apply the moneys arising as aforesaid, to the payment of the interest in arrear, or which shall become due, on the outstanding bonds secured hereby, in the order in which such interest shall be, or become due, ratably to the persons holding the coupons therefor, and after paying all such interest which shall have become due, to apply the same to the payment of the principal of the aforesaid bonds which may, at that time, be due and unpaid, ratably, without discrimination or preference.

And further provided, that the said party of the first part, at any time hereafter before the full payment of said bonds, whenever it, the said party of the first part, shall deem it proper and expedient for the better security of the said bonds, shall be willing to voluntarily surrender to the said Trustee, the said party of the second part, or its successor, or successors in this trust, the possession, control, and management of the said railways, premises, and property, and the business thereof, for any term of years certain or indefinite, although there may not have occurred such default as to entitle the said party of the second part to enter into the possession of the whole or any part of the said railways, rolling stock, premises, property, and rights hereby mortgaged, or intended so to be, it shall be the duty of the Trustee, the said party of the second part, or its successor, or successors in this trust, upon any such surrender and delivery, to enter into and upon the premises so surrendered and delivered, and to take and receive possession, control, and management of said railways and property so surrendered, for such term or terms of years certain or indefinite, as may be agreed upon by the said parties hereto, but without prejudice to the rights of said party of the second part, subsequently, to insist upon and maintain such possession, control, and management beyond such term whenever he would have been entitled thereto, if such voluntary surrender had not been made. And upon the voluntary surrender and delivery of the said premises or property, or any part thereof, as aforesaid, the said party of the second part, or its successor, or successors, in this trust, shall during the time for which such possession and control shall be by it taken, and while the same shall remain in its possession thereunder, receive the incomes and revenues thereof, and work, use, and manage, control, operate, and employ the same in such lawful way as may be the most beneficial, as well to the interests of the public as to the holders of said bonds, intended to be secured hereby, and of the said party of

the first part, and in all respects in accordance with the law and the provisions of this Article.

Article Third.—In case default shall be made in the payment of any interest upon any of said bonds, or of the principal thereof, as aforesaid, and shall continue for six months after demand made for payment, as aforesaid, it shall be lawful, unless such default be waived as herein provided, for the said Trustee, the said party of the second part, or its successor, or successors in this trust, after entry as aforesaid, or other entry, or without entry, by its attorney, or attorneys, agent or agents, to sell and dispose of all and singular the said railways and appurtenances, property and premises, rights, interests, and franchises hereby conveyed or mortgaged, or intended so to be, at public auction, to the highest bidder, at such time and place in the City of Topeka, in the State of Kansas, as it may designate, having first given public notice of the time, place, and terms of such sale, by advertisement published not less than five times a week for eight consecutive weeks in one or more newspapers published in the cities of St. Louis and New York, with the right to adjourn such sale or sales from time to time, in the discretion of such Trustee, giving reasonable notice of such adjournment, and after so adjourning, to make the sale at the time and place to which the same may be adjourned, and on the consummation of the sale upon the terms and conditions thereof, to make and deliver to the purchaser or purchasers thereof good and sufficient deed or deeds in law for the same in fee simple, which sale, made as aforesaid, shall be a perpetual bar, both at law and in equity, against the said party of the first part and all other persons lawfully claiming or to claim the said railways and appurtenances, property and premises, rights, interests, and franchises, or any part thereof so sold, by, from, through, or under it. And after deducting from the proceeds of such sale just allowances for all expenses of said sale, including attorneys' and counsel fees, and all other expenses, advances, and liabilities which may have been made or incurred by the said Trustee in operating said railways, or in maintaining the same, or in managing its business while in possession thereof, and all payments which may have been made by it for taxes and assessments and other proper charges upon the said railways and appurtenances, property and premises, rights, interests, and franchises, or any part thereof, as well as reasonable compensation for its own services, then to apply the said proceeds to the payment of the principal of such of the aforesaid bonds as may be at such time unpaid, whether the same shall have previously become

due or not, and of the interest which shall, at that time, have accrued on the said principal and be unpaid, without discrimination or preference, but ratably to the aggregate of said unpaid principal and accrued unpaid interest added together, and after satisfaction of all said bonds secured hereby, with the interest thereon, to pay over the surplus of such proceeds, if any, to the said party of the first part, or to such party as may then be entitled to receive the same.

This provision is cumulative to the ordinary remedy by foreclosure in the courts, and the Trustee herein or its successor or successors in this trust, upon default being made as aforesaid, may at its discretion, and upon the written request of the holders of the majority in value of the said bonds then unpaid, *shall* (upon being properly indemnified) institute proceedings to foreclose this mortgage or deed of trust, in such manner (by sale under the power herein given, or by suit) as the majority of the said bondholders may direct, and if no such direction is given in this behalf, then in such manner as to the said Trustee may seem most expedient.

For the debt of bonds secured hereby the said Railway Company, the said party of the first part, is liable *in personam*, and any deficit after exhausting the mortgaged security may be enforced against the said Company or its other property, but not against the stockholders individually.

Article Fourth.—In case default shall be made in the payment of any semi-annual installment of interest on any of the said bonds, at the time and in the manner in the said bonds and interest coupons provided, and if such default shall continue for the period of six months after due demand made for payment, as aforesaid, then in such case, *the principal sum of all the said bonds* secured hereby shall in case a *majority in interest of the holders of the said bonds, in writing under seal, so elect, become and be immediately due and payable*, anything contained in the said bonds, to the contrary notwithstanding. And a *majority in interest* of the holders of said bonds may, by writing, under their hands and seals, executed at a meeting of the said bondholders, or without such meeting, declare, or instruct the then Trustee in this trust to *declare the said principal of the said bonds to be due* and immediately payable, or *may waive*, or may instruct the said Trustee *to waive any default in the payment of principal or interest*, on such terms and conditions as such majority in interest may deem proper, provided always, and it is hereby declared, that no such action of the Trustee or bondholders shall extend to, or

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be taken to affect, any subsequent default, or to impair the rights resulting therefrom. *But subsequent defaults* on the payment of principal or interest may, in like manner, *be waived*, at any time before the entry of a decree or foreclosure, by a majority in interest of the bonds secured hereby.

Meetings of the holders of the said bonds hereby secured for the determination of, or action upon, any of the questions upon which, by any of the provisions hereof, the majority in interest of said bondholders may have the right to decide, may be called by the then Trustee, or in such other mode as may be, from time to time, fixed by such majority in interest of the holders of said bonds in respect to such meetings, and until said bondholders shall so act, such powers may be exercised by the said Trustee in this trust, and all acts or resolutions of the said bondholders affecting the rights or remedies, or for the benefit of the said bondholders, or the duties of the Trustee, or the interest of the trust hereby created, shall be authenticated by the signatures of all the persons assenting thereto, as well as by a record of the proceedings to be kept of any such meetings.

But it is understood, and hereby expressly declared and agreed that no act or resolution of any meeting of bondholders, or of the Trustee, nor any act or election of, or instrument executed by, a majority in interest of all said bonds, shall impair, control or affect the rights, interests or remedies, legal or equitable, of any non-assenting bondholder, except in the particulars, and to the extent to which the same is expressly made controlling by the provisions contained herein.

Article Fifth.—The said party of the first part shall and does hereby convenant and agree to, and with the said party of the second part, and its successor or successors in this trust, on behalf, and for the benefit of, the said bondholders intended to be secured hereby, that it will, from time to time, and at all times hereafter, upon reasonable request make, do, execute, acknowledge and deliver all such *further acts, deeds, conveyances and assurances* for the better assuring unto the said Trustee and its successor or successors in the trust hereby created, upon the trusts and for the purposes herein expressed or intended, all and singular, the premises, property, railways, equipments and appurtenances, rights, franchises, interests and effects, hereby mortgaged or conveyed in trust, or agreed, or purporting, or intended so to be, whether now owned or possessed by or vested in the said party of the first part, or subsequently acquired

by or vested in it, and all other property and things whatsoever which may be hereafter acquired in aid of, or by way of substitute for, or whatsoever use for the purposes of the same or any part thereof, and all franchises now held or hereafter acquired relating thereto, including the franchise to be a corporation, as may be deemed proper and expedient, subject, however, to the limitations and conditions herein provided as to after acquired property.

Article Sixth.—Said Railway Company, the said party of the first part, for itself and all other persons hereafter claiming through or under it, and who may, at any time hereafter, become holders of liens junior to that of these presents, hereby *expressly waives and releases all right to have the assets* comprised in the security intended to be created by these presents, *marshalled upon any foreclosure* or other enforcement thereof, and it is expressly hereby agreed and declared, that the Trustee herein, and any court in which foreclosure of this mortgage or administration of the trusts hereby created is sought, shall have the right to sell the entire property of every description comprised in, or subject to, the trusts of these presents as a whole in one single lot, if it shall in its discretion think fit. And a majority in interest of said bonds may, by instrument in writing, direct the Trustee or petition the said court to sell the said property in such manner.

Article Seventh.—Said Railway Company, the said party of the first part, for itself, its successors and assigns, and so as to bind all persons who may claim through or under it, as assigns, junior encumbrances, lien-holders, or otherwise, doth hereby *irrevocably waive the benefit or advantage of any or all valuation, stay, appraisement, redemption or extension laws*, and of all laws requiring mortgages, liens, hypothecations, or other securities for money to be foreclosed by action therefor, now existing, or which may hereafter exist, in any State wherein the property to be sold hereunder, or any part thereof, may, at the time of sale be situated, or where the said sale may take place, which but for this provision herein might prevent or postpone the sale of said premises, property, rights and interests to the purchaser under the powers and upon compliance with the provisions herein provided, and said party of the first part does hereby covenant with the said party of the second part, the said Trustee or its successor or successors, in the trust hereby created, that it will not, in any manner, *set up or seek, or take the benefit or advantage of any such valuation, stay, appraisement, redemption or extension law.*

Article Eighth.—And it is further mutually agreed, by and between the parties hereto, and is hereby declared to be a condition upon which the said party of the second part and its successor or successors in the trust hereby created, have assented to these presents and accepted this trust, that the *said Trustee and its successors in this trust shall not in any manner be held responsible for persons employed by them unless guilty of culpable negligence* in the selection of such employes, nor shall the Trustee be answerable except for its own wilful default, and in all cases the then Trustee, the party of the second part, shall be authorized to pay such reasonable compensation as it shall deem proper to all the attorneys, officers, agents, servants and employes whom it may reasonably employ in the management of this trust; and that the said Trustee and its successor or successors shall have and be entitled to just compensation for all services it may render in connection with the management of the trust hereby created, to be paid by the said party of the first part out of the trust estate.

And it is agreed and hereby provided that the *said Trustee* and its successor or successors in this trust *may be removed and a successor may be appointed*, at any time, by any court of competent jurisdiction, upon application of a majority in interest of the holders of the then outstanding bonds hereby secured.

And it is also agreed and hereby provided that *a majority in value of the outstanding bondholders secured hereby*, may upon their own motion at any time, with or without cause, by an instrument or instruments in writing, under seal, signed by them to that effect, and without calling a meeting of the bondholders for that purpose, *remove the said Trustee* and any successor to the trust hereby created, and in writing under seal appoint one or more trustees herein, whether the last Trustee shall have been appointed by a court of competent jurisdiction or otherwise, anything herein to the contrary notwithstanding. In case of such removal and appointment of trustees by the bondholders, the writing shall be signed by each bondholder or his or her agent, stating the place of residence of such holder and the serial numbers and the amounts of the bonds, and in every case the affidavit of the holder shall accompany the instruments of removal and appointment to the effect that the party signing such instruments is the owner or holder of the bonds for which he or she signs, and stating the serial number and the amount in value of each bond and the owner or holder's place of residence.

It is also hereby expressly agreed and provided that in case of the

appointment, in any of the modes herein provided, of a successor or successors, to the trust hereby created, *such successors shall be invested with all and singular the powers and duties hereby conferred and imposed upon the said Trustee* herein and hereby designated, so long as he or they shall remain such successor Trustee.

Article Ninth.—The said Trustee, the said party of the second part, hereby promises and agrees that in no *case will it deliver to said Railway Company*, the said party of the first part, or to any other person or persons, *any of the bonds secured hereby, except in conformity with the provisions of this instrument.*

The said *Trustee* hereby agrees to cause this instrument *to be recorded* in all the counties of Missouri, Kansas and Texas in which any part of the said railways of the said party of the first part, or any extensions, additions and branches thereof, may be situated.

Article Tenth.—The said Trustee, or any successor to this trust, shall have the right, and is hereby empowered and authorized, on any *sale under, or foreclosure of* this mortgage or deed of trust *to buy in the mortgaged property* at a price not exceeding the amount of the *Mortgage Bonds* secured hereby, and to hold and possess the property so purchased, and to control, manage, use and operate the same and receive the incomes, rents, issues and profits thereof, upon the trusts and subject to the covenants and the conditions of this Indenture.

Article Eleventh.—And in case of any foreclosure sale, or of any sale made under any of the provisions of this deed of trust, the purchaser or purchasers thereat, shall be entitled in making settlement for, and payment of, the purchase money therefor, to deliver to the then Trustee, toward the payment of such purchase money, any of the said bonds and interest coupons secured hereby, and held by such purchaser or purchasers, counting such bonds and interest coupons for such purpose at a sum not exceeding that which shall be payable out of the net proceeds of such sale to the holder or holders of such bonds and interest coupons, as his or their share and proportion in that character of such net proceeds of sale, after allowing for the proportion of payment which may be required in cash for the costs and expenses of the sale, and which proportion of cash payment shall be determined and announced by the then Trustee previous to any such sale; and if such proportionate sum shall be less than the amount of such bonds or interest coupons, to make such

settlement by receipting thereon for the amount to be credited thereupon.

Article Twelfth.—For the purpose of carrying out the trusts and objects of these presents the said Trustee or its successor or successors to this trust, may, whenever it shall be deemed expedient, call *meetings of the holders of said bonds* secured hereby in some convenient place in the City of New York, upon such notice, and under such regulations, as it may deem proper, but no decision of any majority in amount at any such meetings shall be of any effect unless the same shall be duly authenticated by an instrument in writing signed by the persons holding such majority and proved as herein provided.

Article Thirteenth.—The execution of any instrument or affidavit required by any provision of these presents to be executed by a majority in amount of the holders of the said bonds hereby secured, then outstanding, shall be deemed sufficiently proved, if their respective execution of such instrument (which may be executed in any number of parts or duplicates), and of any procuration or power of attorney under which any signer may claim to act, and their holding of the said bonds respectively stated to be held by them, such bonds being identified by their serial numbers and amounts, as aforesaid, shall be certified by a Notary Public or other person authorized to take acknowledgements of deeds with their seals of office affixed of any State or county, and any certificate and seal purporting to be a notarial certificate and seal, or certificate and seal of any other officer authorized to take acknowledgements of any deeds, shall be sufficient evidence of the official character of the persons making such certificates.

Article Fourteenth.—The said Trustee or any successor to this trust may permit said Railway Company, the said party of the first part, if not in default in the payment of interest on said bonds, to sell any rolling stock, equipment, materials or machinery, right of way or depot, or other grounds theretofore acquired for the use and operation of its railways, or any part of them, and which *may be no longer necesssary or useful*, but upon the *fundamental condition* only that the purchase money shall be received by the then Trustee, or the property so sold to be replaced by other property of the same character, and to become subject to the trusts and provisions of these presents, and such purchase money shall be received or the property sold be so replaced by other property before any instru-

ment releasing the lien of this Indenture shall be delivered by the Trustee.

Article Fifteenth.—The words "Trustee," "said Trustee" and "party of the second part," as used in this instrument, shall be construed to mean the Trustee or Trustees for the time being of this deed of trust, and whenever a vacancy shall exist, or any change of Trustees shall be made, to mean the surviving or continuing, or successor Trustee. And any surviving, continuing or successor Trustee herein shall be possessed of, and be fully competent to exercise, all the powers and duties granted and conferred by these presents to the said Trustee named in this instrument as the party of the second part.

Article Sixteenth.—And inasmuch as it is intended that this instrument shall be recorded in the proper offices in each of the several counties of the said States wherein the railway property and premises conveyed hereby, or intended so to be, or some part thereof is situated, as nearly at the same time as possible, this Indenture further witnesseth that, although *ten or more copies or counterparts thereof are simultaneously executed* by the said Railway Company, the said party of the first part, by its President, under its corporate seal, attested by its Secretary, in pursuance of the aforesaid resolutions of the said Company, and delivered to the said Trustee, and the said Trustee, in evidence of its acceptance of the trusts thereby created, has likewise duly executed said ten or more copies or counterparts; all of said copies or counterparts so executed and delivered, each as an original, shall constitute but one and the same instrument.

In testimony whereof, the Missouri, Kansas and Texas Railway Company, the said party of the first part, has caused its corporate name to be hereunto signed by its President, and its corporate seal, attested by its Secretary, to be hereunto affixed; and the Trustee, the said party of the second part, has signified its acceptance of the trusteeship herein created by likewise causing its corporate name to be hereunto signed by its President, and it corporate seal, attested by its Secretary, to be hereunto affixed, the day and year first above written.

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY,

By Jay Gould, President.

Seal of M., K. & T. Ry. Co.

Attest:

H. B. Henson, Secretary.

THE MERCANTILE TRUST COMPANY,

By Louis Fitzgerald, President.

Seal of The Mercantile Trust Co.

Attest:

Henry C. Deming, Secretary.

State of New York, }
City and County of New York, } ss.

Be it remembered, that, on this 22d day of January, A. D., 1881, before me, Chas. Edgar Mills, a Commissioner for the States of Missouri, Kansas and Texas, and a Notary Public, in and for the State and county of New York, residing in said City of New York, personally appeared Jay Gould, the President, and Henry B. Henson, the Secretary of the Missouri, Kansas and Texas Railway Company, to me respectively personally known to be such, who being by me severally duly sworn, did depose and say, that he, said Jay Gould, resides in New York city, State of New York; that he, said Henry B. Henson, resides in the city of Brooklyn, New York; that he, said Jay Gould, is the President, and he, said Henry B. Henson, is the Secre-

tary, of the said Company; that they both know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said Jay Gould, as such President, signed the name of said Company, and their own names thereto, by the like order, as President and Secretary of said Company, and they each, respectively, being personally known to me to be the same persons whose names are signed to the foregoing instrument, as parties thereto, acknowledged to me that they signed, sealed and executed the same as their own free and voluntary act and deed, and as the free and voluntary act and deed of the said Company, for the purpose and objects therein stated; and on the same day there also personally appeared before me, Louis Fitzgerald, President, and Henry C. Deming, Secretary of The Mercantile Trust Company, to me respectively personally known to be such, who being by me severally duly sworn, did depose and say, that he, said Louis Fitzgerald, resides in New York city, State of New York; that he, said Louis Fitzgerald, is the President, and he, said Henry C. Deming, is the Secretary of the said The Mercantile Trust Company; that they both know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said Louis Fitzgerald, as such President, signed the name of said Company, and their own names thereto, by the like order, as President and Secretary of said Company, respectively, and they each, respectively, being personally known to me to be the same persons whose names are signed to the foregoing instrument, as parties thereto, acknowledged to me that they signed, sealed and executed the same as their own free and voluntary act and deed, and as the free and voluntary act and deed of the said Company, for the purposes and objects therein stated.

In witness whereof, I have hereunto set my hand and affixed my official seals, this the 22d day of January, A. D., 1881.

[Missouri Seal.] CHARLES EDGAR MILLS,
Commissioner for the State of Missouri in New York.

[Kansas Seal.] CHARLES EDGAR MILLS,
Commissioner for Kansas in New York.

[Texas Seal.] CHARLES EDGAR MILLS,
Commissioner for Texas in New York.

INTERNATIONAL RAILWAY IMPROVEMENT COMPANY

TO THE

MERCANTILE TRUST COMPANY.

March 1st, 1882.

THIS INDENTURE, made this first day of March, 1882, by and between the INTERNATIONAL RAILWAY IMPROVEMENT COMPANY, party of the first part, THE MERCANTILE TRUST COMPANY, party of the second part, and the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, party of the third part,

WITNESSETH:

WHEREAS, The said party of the first part, in accordance with the provisions of its contract of December 7th, 1880, with the party of the third part, and pursuant to arrangements subsequently made with said third party, has purchased for use upon the extensions and branches built and acquired, and to be built and acquired, in the State of Texas and elsewhere under said contract, the rolling stock and equipment hereinafter described and conveyed;

AND WHEREAS, Said equipment has been and is to be paid for in the General Consolidated Bonds of the party of the third part, issued under and secured by its mortgage of December 1st, 1880, to the party of the second part hereto as Trustee;

AND WHEREAS, Pursuant to the covenants for further assurance contained in said mortgage of December 1st, 1880, and for the better securing of the bonds already issued and to be hereafter issued under said mortgage, it is proposed to bring under and subject to the lien and conditions of said mortgage the equipment and rolling stock so purchased and paid for;

And Whereas, The said party of the third part in evidence of its assent to the transfer and conveyance of said equipment to the party of the second part, as Trustee, under said General Consolidated Mortgage of December 1st, 1880, has joined in the execution of this Indenture;

Now, therefore, in consideration of the premises and of the sum of one dollar in hand paid to the said party of the first part, the receipt whereof is hereby acknowledged, the said International Railway Improvement Company, party of the first part, doth by these presents grant, bargain, sell, assign and transfer, unto the said The Mercantile Trust Company, party of the second part, the following described rolling stock and equipment, viz.:

One thousand (1,000) box cars, numbered from fifty-eight hundred and two (5,802) to sixty-eight hundred and one (6,801), both inclusive, built by the Lebanon Manufacturing Company.

Four hundred (400) coal cars, numbered from thirty-four hundred and fifty-eight (3,458) to thirty-eight hundred and fifty-seven (3,857), both inclusive; four hundred and fifty (450) stock flat cars, numbered from four thousand (4,000) to forty-three hundred and ninety-nine (4,399), and from eight thousand (8,000) to eight thousand and forty-nine (8,049,) all inclusive. and one hundred and fifty (150) stock cars, numbered from eight thousand and fifty (8,050) to eighty-one hundred and ninety-nine (8,199), all built by the Lehigh Manufacturing Company.

Ten (10) passenger coaches, numbered from thirty-nine (39) to forty-eight (48), both inclusive, and six (6) baggage cars, numbered from twenty-three (23) to twenty-eight (28), both inclusive, built by the Ohio Falls Car Company.

Fifteen (15) caboose cars, numbered from sixty-two (62) to seventy-six (76), both inclusive, built by the Missouri Car and Foundry Company.

Thirty (30) locomotive engines numbered from one hundred and forty (140) to one hundred and forty-two (142), one hundred and forty-five (145), one hundred and forty-seven (147), two hundred and sixty-five (265) to two hundred and seventy-seven (277), two hundred and eighty-one (281) to two hundred and eighty-three (283), two hundred and eighty-five (285), two hundred and eighty-seven (287), two hundred and ninety (290) to two hundred and ninety-four (294), two hundred and ninety-six (296), and two hundred and ninety-seven (297), all inclusive.

Thirty-seven (37) hand and (33) push cars. Also the following described additional rolling stock acquired through the party of the first part, viz:

Ten (10) box cars numbered from eight hundred and eighty-four (884) to eight hundred and ninety-three (893), both inclusive; twenty (20) flat cars, numbered from forty-nine hundred and forty-one (4,941) to forty-nine hundred and sixty, (4,960), both inclusive; two (2) combination passenger cars numbered thirty-seven (37) and thirty-eight (38); two (2) caboose cars, numbered fifty-three (53) and fifty-four (54), three (3) locomotive engines, numbered from ninety-six (96) to ninety-eight (98), both inclusive.

One hundred and fifty (150) box cars, numbered from five hundred and eighty-four (584) to seven hundred and thirty-three (733), both inclusive; fifty (50) stock cars numbered from thirteen hundred and fifty-one (1,351) to fourteen hundred (1,400), both inclusive; fifty (50) flat cars, numbered from forty-eight hundred and sixty-six to forty-nine hundred and fifteen (4,915); twenty-five (25) coal cars, numbered from forty-nine hundred and sixteen (4,916) to forty-nine hundred and forty (4,940), both inclusive; ten (10) cabin cars, numbered from forty-one (41) to fifty (50), both inclusive; and twenty (20) locomotive engines, numbered from sixty-eight (68) to seventy-seven (77), and from seventy-nine (79) to eighty-eight (88), all inclusive.

To have and to hold the above described property and appurtenances unto the said party of the second part, and its successors and assigns forever, to the only proper use, benefit and behoof of the party of the second part, its successors and assigns.

In trust nevertheless, for the equal and *pro rata* benefit and security of all and every the persons or corporations who may be or may become holders of the bonds issued under said General Consolidated Mortgage of December 1st, 1880, without preference or priority of any one bond over another by reason of priority in time of issue or negotiation thereof, or otherwise, and for all the uses and purposes declared and expressed in the aforesaid mortgage dated December 1st, 1880, all the provisions of which remain in full force and effect the same as if this Indenture had not been made, and these two Indentures shall be read together and construed as one instrument, and shall have the same effect as respects the said bondholders as if the said rolling stock herein conveyed had been in existence at the time when the said mortgage of December 1st, 1880, was made and had been expressly embraced therein.

Provided, however, that until default shall be made by the party of the third part, in the payment of the principal or interest of said General Consolidated Bonds, the said party of the third part, shall have, possess, use, operate and manage the said rolling stock and equipment, and the income and profits derived from the use thereof.

And provided further that upon the payment in full of all the said bonds issued and to be issued under the said mortgage of December 1st, 1880, the said party of the second part shall hold the said property to and for the use and benefit of the said party of the third part and will convey the same to it when requested so to do by said party of the third part.

In witness whereof, the parties hereto have caused this Indenture to be signed by their respective Presidents and their respective corporate seals to be hereto affixed, duly attested by their respective Secretaries, the day and year first above written.

INTERNATIONAL RAILWAY IMPROVEMENT CO.,
[seal.] By G. M. Dodge,
President.

Attest:
J. T. Granger,
Asst. Secretary.

THE MERCANTILE TRUST COMPANY,
[seal.] By Louis Fitzgerald,
President.

Attest:
H. C. Deming,
Secretary.

MISSOURI, KANSAS AND TEXAS RAILWAY CO.,
[seal.] By Jay Gould,
President.

Attest:
H. B. Henson,
Secretary.

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY

TO THE

MERCANTILE TRUST COMPANY.

December 1st, 1886.

THIS INDENTURE, made the first day of December, 1886, between the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, of the first part, and the MERCANTILE TRUST COMPANY, a corporation organized under the Laws of New York, of the second part.

WHEREAS, the said party of the first part did heretofore, to-wit, on the first day of December, 1880, duly make, execute and deliver unto the said party of the second part, a certain trust deed, known as the General Consolidated Mortgage of said party of the first part, whereby the said last-named party did duly grant, bargain, sell, assign, transfer and convey unto the said party of the second part, all the property, real, personal and mixed, and all the corporate rights, powers, franchises and privileges therein fully set forth and described, to have and to hold the same unto the said party of the second part, its successors and assigns, in trust to secure the payment of bonds in the sum of one thousand dollars each, amounting to the aggregate principal sum of $45,000,000, and numbered from 1 to 45,000, both inclusive; and for the uses, intents and purposes in the said Indenture of Mortgage fully expressed and declared as by reference thereto, now being in the proper custody of the party of the second part, and also duly recorded, will more fully and at large appear.

AND WHEREAS, since the execution and delivery of said Indenture of Mortgage, the said 45,000 bonds authorized to be issued thereunder have all been issued under and in pursuance of the provisions of

said mortgage except bonds reserved for the purpose of exchanging prior issues of bonds, and also excepting the last three thousand of the bonds reserved under Section Twelfth of said Mortgage of December 1st, 1880, for the purpose of constructing and acquiring additional lines of railway.

And Whereas, among the other terms and provisions in the said Indenture of Mortgage, Section Twelfth is in the words following, viz:

"Section Twelfth.—It is further mutually agreed, by and between the parties hereto, that if the said party of the first part shall, in addition to the roads and branches above contemplated and provided for, determine under any right or franchise now owned by it, or hereafter acquired by it, still further to extend its road into Mexico or elsewhere, or build branches of its road, or become the owner or permanent lessee of any other railroad already constructed, then, for every such extension and branch, and every such railroad constructed or to be constructed or acquired, or permanently leased, a further issue of bonds, in addition to the forty-five millions of dollars above herein provided for, may be made hereunder by the said party of the first part, the aggregate amount of which shall not exceed the rate of twenty thousand dollars for every mile of road thus constructed, or acquired, or leased, such bonds to be issued in the same proportions and upon the same conditions as hereinbefore provided in Section Ninth for the issue of the bonds to which said section relates; and in case said bonds are sold, the proceeds to be paid over to the Trustee as in Section Tenth provided. And all such bonds shall be of the same tenor as that provided for in the form of bond hereinbefore set forth, subject only to necessary variation in the form thereof and as to the distinguishing numbers and the dates thereof, and shall bear numbers running from the number forty-five thousand upwards.

"And the said party of the first part hereby agrees to execute and deliver to the said party of the second part, its successor or successors, upon every such further issue of bonds, any further reasonable and necessary trust deed to bring in and subject to the conditions of these presents every such extended or future acquired road, and every other land or property, real or personal, that may hereafter be acquired by it for the purpose and with the intent of securing the payment of the said bonds composing every such increased issue, as well as the bonds hereinabove described, equally and alike upon the property of the said party of the first part, with the interest due and

to grow due thereon, in the same manner as if all said bonds had been originally secured by one and the same indenture.

"*Provided, however*, that if any railroad or railroads which may hereafter be acquired in any of the modes aforesaid by the party of the first part shall, at the time of such acquisition, be subject to the lien of any trust deed or mortgage theretofore made to secure bonds then outstanding, no more bonds shall be issued hereunder on any such railroad or railroads than such amount as shall, together with such outstanding bonds, be equal to the rate per mile hereinbefore mentioned, to-wit, twenty thousand dollars, but bonds may be issued hereunder on any such railroad or railroads in exchange for an equal amount of such outstanding bonds.

"The provision of this section of this Indenture, with its limitations as to the amount of bonds per mile to be issued, shall also extend to road which is acquired by the party of the first part by consolidation or transfer, or by a purchase of a majority of the shares of the capital stock of such road, provided that the road so acquired shall become and be made subject to the lien of this Indenture for the benefit of the bonds secured thereby, before bonds hereunder shall be issued and certified in respect thereof.

"It is the intention to embrace in this mortgage all the road and branches now completed, as well as all that may be completed or acquired under the articles of association of said Railroad Company, and any amendments thereto, to the end that as the said roads and branches may be extended, the money to pay for such extension and branches may be raised by the issue of bonds under this Indenture, which provision as to extensions and branches shall apply to road which may be constructed in Mexico, if the lien hereof can and shall be effectually extended thereto; but if not, then this Indenture is not to be construed as covering or extending to the rights, franchises, road and property of this company in Mexico."

And Whereas, the said party of the first part proposes, and has arranged to build or acquire the following described additional lines of railway, to wit:

The railway of the Taylor, Bastrop and Houston Railway Company, a corporation organized under the laws of the State of Texas.

The railway of the Dallas and Greenville Railway Company, a corporation organized under the laws of the said State of Texas.

The railway of the Gainesville, Henrietta and Western Railway

Company, a corporation organized under the laws of the said State of Texas.

The railway of the Dallas and Waco Railway Company, a corporation to be organized under the laws of the said State of Texas.

All of which lines of railway are hereinafter more particularly described and set forth.

And Whereas, the said party of the first part, after issuing the said three thousand bonds so remaining unissued of the said forty-five thousand of bonds, will require a further issue of bonds in addition thereto;

And Whereas, the said party of the first part is desirous of borrowing money for the purpose of building or acquiring such additional lines of railway, and has therefore resolved to make a further issue of bonds under and by virtue of the right and privilege reserved by said Section Twelfth hereinbefore set forth and recited, which said bonds shall be in the sum of one thousand dollars each, and numbered from 45,001 upwards, and that each of said bonds shall be in the words and figures following, subject only to the necessary variation as to distinguishing numbers thereof:

United States of America.

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY.

General Consolidated Mortgage Bond.

No. ..... $1,000.

Thirty-four years after date, for value received, the Missouri, Kansas and Texas Railway Company, a corporation created by the laws of Kansas, and under the authority of Acts of Congress and of the Legislatures of the States of Missouri, Kansas and Texas, owning lines of railway in said States and through the Indian Territory, promises to pay in gold coin of the United States of America, of or equal to the present standard of value, to the holder of this bond, or in case this bond be registered, then to the registered owner thereof, at its financial agency in the city of New York, one thousand dollars, and also interest thereon, at the rate of six per centum per annum, payable semi-annually in like gold coin, on the first days of June and December in each year, on the presentation and surrender

of the respective interest coupons hereto annexed at the financial agency aforesaid.

This bond is one of a series of bonds each of the denomination of one thousand dollars, numbered forty-five thousand and one upwards, the payment of the principal and interest of which is secured by a deed of trust, of even date herewith, conveying to the Mercantile Trust Company in trust for the holders of said bonds the entire railways, rolling stock, equipment, franchises, leaseholds, lands and land grants, property and income of said Company, as specified in said deed of trust.

If default shall be made in the payment of any semi-annual installment of interest on this bond when the same shall become due, and be demanded, and shall remain unpaid for six months after such demand, the principal of this bond shall become due and payable in the manner provided in the said deed of trust. The said Company and all of its property is liable to pay this bond, but stockholders of the Company are not individually liable thereon or in respect thereto.

Said Company hereby waives the benefit of any extension, stay or appraisement laws now existing, or that may hereafter exist.

This bond is to be valid only when authenticated by a certificate endorsed hereon, signed by the Trustee, to the effect that it is one of the bonds secured by the said deed of trust.

In witness whereof, the said Company has caused its corporate name to be hereto signed by its President, and its corporate seal to be hereunto affixed, attested by its Secretary, this the first day of December, 1886, and the annexed interest coupons to be executed with the engraved signature of its Secretary.

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY,
By
President.

Attest:
Secretary.

Form of Coupon or Interest Warrant.

No. $30.00

THE MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY will pay the bearer, at its Financial Agency in the city of New York, Thirty Dollars in United States gold coin, on the day of 188 , being six month's interest then due on its General Consolidated Mortgage Bond No.

Secretary.

And each and all of said bonds shall have endorsed thereon the following Certificate of the Trustee:

Trustee's Certificate.

"It is hereby certified that the within bond is one of the bonds, secured by the said deed of trust within mentioned.

Trustee."

Which said bonds shall also have endorsed thereon the following, viz:

"This bond shall pass by delivery or by transfer on the books of said Company in the City of New York; after registration of ownership certified hereon by the transfer agent of said Company, no further transfer except on the books of the Company shall be valid, unless transferred to bearer on said books, after which this bond shall pass by delivery as at first, but shall continue subject to registration and transfer to bearer successively at the option of each holder."

And Whereas, the said party of the first part, in pursuance of its agreement contained in Section Twelfth aforesaid, is desirous of executing and delivering to the said party hereto of the second part a further trust deed or mortgage, conveying the property hereinafter described, for the purpose and with the intent of securing the payment of the said bonds composing such further issue, according to the tenor and effect of the provisions in the said section contained.

Now, therefore, this Indenture, made the first day of December, 1886, by and between the Missouri, Kansas and Texas Railway Company, party of the first part, and the Mercantile Trust Company of New York, party of the second part, witnesseth, that in consideration of the premises and of the sum of one dollar to the party of the first part in hand paid by the party of the second part, the receipt whereof is hereby acknowledged, the said party of the first part, in order the more fully to secure the payment of the principal and interest of the bonds so as aforesaid issued and to be issued by it, and in order to bring in and subject to the conditions of the aforesaid mortgage, of date December 1st, 1880, the railroads, extensions and branches of the party of the first part in this Indenture above referred to and hereinafter more particularly described, and for the

purpose and with the intent of securing the bonds mentioned in said mortgage of December 1st, 1880, as well as the bonds mentioned in this mortgage, equally and alike, upon all the property of said party of the first part. described and conveyed in this mortgage and in the said mortgage of December 1st, 1880, in the same manner and with the same effect as if all of said issues of bonds had been originally secured by one and the same Indenture, hath granted, bargained, sold, assigned, transferred, confirmed and conveyed, and by these presents doth grant, bargain, sell, assign, transfer, confirm and convey to the said party of the second part, as Trustee, its lawful successors or successor in the trust created by said mortgage, all and singular the railway of the said party of the first part, now constructed and acquired and also the railway hereinafter more particularly described as follows, viz:

First.—All and singular the railroad and property of the Taylor, Bastrop and Houston Railroad Company, extending from Taylor, in Williamson county, in the State of Texas, in a southeasterly direction by way of the town of Elgin, through the counties of Williamson, Travis and Bastrop, to the town of Bastrop, and thence through the counties of Bastrop, Fayette, Colorado, Austin, Waller and Harris, to the City of Houston in said State of Texas, a distance of one hundred and sixty-two miles, more or less.

Second.—All and singular the railroad and property of the Dallas and Greenville Railway Company, extending from Greenville, in Hunt county, in said State of Texas, in a southwesterly direction, to the City of Dallas, in Dallas county, in said State, a distance of fifty-two miles, more or less.

Third.—All and singular the railroad and property of the Gainesville, Henrietta and Western Railway Company, extending from Gainesville, in Cooke county, in said State of Texas, in a westerly direction, through the counties of Cooke, Montague, Clay and Archer, to a point at or near the centre of Baylor county in said State, a distance of one hundred and thirty miles, more or less.

Fourth.—All and singular the railroad and property of the Dallas and Waco Railway Company, extending from Dallas, in Dallas county, in said State of Texas, in a southwesterly direction, through the counties of Dallas, Ellis, Hill and M'Lennan, a distance of ninety miles, more or less, as the same shall be located and constructed.

The property hereby conveyed includes all and singular the rights

of way of such railways and branches above described, and the parcels of land constituting said rights of way, and all additions thereto, which may be hereafter acquired by the party of the first part, and all depots, depot grounds, tracks, station-houses, engine-houses, car-houses, freight-houses, wood-houses, work-houses, machine shops, and all locomotives, tenders, cars and other rolling stock or equipments, and all rails, ties, chairs, machinery, tools and other implements used for operating and repairing said railroads and branches, or any part thereof, together with all the equipments or appurtenances whatsoever thereunto belonging, whether now held or hereafter to be acquired, and all franchises connected with or relating to said railroads or branches, or the construction, maintenance or use thereof, with all rights, powers, privileges, franchises, immunities and exemptions of every kind and nature appertaining to the party of the first part in connection therewith, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, in law as well as in equity, present or prospective, of the said party of the first part in and to the same, and every part and parcel thereof, with the appurtenances. To HAVE AND TO HOLD the above described railroads, premises, property, rights, franchises and every part and parcel thereof, with the appurtenances, unto the said party of the second part, and its successors, in trust, nevertheless, and for the equal *pro rata* benefit and security of all and every the persons or corporations who may be or may become holders of any of the bonds issued hereunder, or under the mortgage aforesaid, of date December 1st, 1880, or any future supplemental mortgages thereto executed in conformity with its provisions, without any preference or priority of any one bond over another, by reason of priority in time of issue or negotiation thereof, or otherwise, and for all of the uses and purposes declared and expressed in the aforesaid mortgage, dated the 1st day of December, 1880, all of the provisions of which remain in full force and effect the same as if this Indenture had not been made, and all of these Indentures shall be read together and construed as one instrument.

And inasmuch as it is intended that this instrument shall be recorded in the proper offices in each of the several counties of the said States wherein the railway property and premises conveyed hereby, or intended so to be, or some part thereof, is situated, as nearly at the same time as possible, this Indenture further witnesseth that, although five or more copies or counterparts thereof are simultaneously executed by the said Railway Company, the said party of

the first part, by its President, under its corporate seal, attested by its Secretary, in pursuance of the aforesaid resolutions of the said Company, and delivered to the said Trustee, and the said Trustee, in evidence of its acceptance of the trusts created, has likewise duly executed said five or more copies or counterparts, all of said copies or counterparts so executed and delivered, each as an original, shall constitute but one and the same instrument.

IN TESTIMONY WHEREOF, the Missouri, Kansas and Texas Railway Company, the said party of the first part, has caused its corporate name to be hereunto signed by its President, and its corporate seal attested by its Secretary, to be hereunto affixed; and the Trustee, the said party of the second part, has signified its acceptance of the trusteeship herein created by likewise causing its corporate name to be hereunto signed by its President, and its corporate seal, attested by its Secretary, to be hereunto affixed, the day and year first above written.

MISSOURI, KANSAS AND TEXAS RAILWAY CO.,
[SEAL.] By JAY GOULD,
President.

Attest:
H. B. HENSON,
Secretary.

THE MERCANTILE TRUST COMPANY,
[SEAL.] By LOUIS FITZGERALD,
President.

Attest:
H. C. DEMING,
Secretary.

Signed in presence of—W. W. COTTON.

STATE OF NEW YORK,
City and County of New York, } ss.

Be it remembered, that on this fourth day of March, A. D., 1887, before me, W. W. Cotton, a notary public in and for the State and county of New York, personally appeared Jay Gould, President, and H. B. Henson, Secretary, of the Missouri, Kansas and Texas Railway Company, to me respectively personally known to be such, who, being by me severally duly sworn, did depose and say that he, said Gould, resides in New York City, State of New York; that he, said Gould, is the President, and he, said Henson, is the Secretary, of the said Railway Company; that they both know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said Gould, as such President, and the said Henson, as such Secretary, signed the name of said Company, and their own names thereto, by the like order, as President and Secretary of said Company, respectively, and they each, respectively, being personally known to me to be the same persons whose names are signed to the foregoing instrument, as parties thereto, acknowledged to me that they signed, sealed and executed the same as their own free and voluntary act and deed, and as the free and voluntary act and deed of the said Company, for the consideration, purposes and objects therein stated.

On the same day there also personally appeared before me, Louis Fitzgerald, President, and Henry C. Deming, Secretary of the Mercantile Trust Company, to me respectively personally known to be such, who being by me severally duly sworn, did depose and say, that he, said Fitzgerald, resides in New York city, State of New York; that he, said Fitzgerald, is the President, and he, said Deming, is the Secretary of the said Mercantile Trust Company; that they both know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said Fitzgerald, as such President, and the said Deming as Secretary, signed the name of said Company, and their own names thereto, by the like order, as President and Secretary of said Company, respectively, and they each, respectively, being personally known to me to be the same persons whose names are signed to the foregoing instrument, as parties thereto, acknowledged to me that

they signed, sealed and executed the same as their own free and voluntary act and deed, and as the free and voluntary act and deed of the said Company, for the consideration, purposes and objects therein stated.

In witness whereof, I have hereunto set my hand and affixed my official seal, this the 4th day of March, A. D., 1887.

W. W. COTTON,
Notary Public,
Kings Co., N. Y.

[SEAL.]

Certificate filed in New York Co.

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY

TO THE

MERCANTILE TRUST COMPANY.

SUPPLEMENTAL MORTGAGE,

December 1st, 1887.

THIS INDENTURE, made the first day of December, 1887, between the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, of the first part, and the MERCANTILE TRUST COMPANY, a corporation organized under the laws of New York, of the second part.

WHEREAS, the said party of the first part did heretofore, to-wit, on the first day of December, 1880, duly make, execute and deliver unto the said party of the second part a certain trust deed, known known as the General Consolidated Mortgage of said party of the first part, whereby the said last named party did duly grant, bargain, sell, assign, transfer and convey unto the said party of the second part, all the property, real, personal and mixed, and all the corporate rights, powers, franchises and privileges therein fully set forth and described, to have and to hold the same unto the said party of the second part, its successors and assigns, in trust to secure the payment of bonds in the sum of one thousand dollars each, amounting to the aggregate principal sum of $45,000,000, and numbered from 1 to 45,000, both inclusive; and for the uses, intents and purposes in the said Indenture of Mortgage fully expressed and declared as by reference thereto, now being in the proper custody of the party

of the second part, and also duly recorded will more fully and at large appear;

And Whereas, among the other terms and provisions in the said Indenture of Mortgage, Section Eighth is in the words following, viz:

"Section Eighth.—Bonds numbered from twenty-eight thousand, two hundred and eighteen to thirty thousand, two hundred and seventeen, both inclusive, amounting in the aggregate to $2,000,000, may be issued and used for the purpose of providing such new equipment and rolling stock and new additions to the property as the business of the party of the first part may require; and any part of the said amount of $2,000,000, which in the judgment of the Board of Directors is not required for such purposes may be used to pay any of the debts, obligations or liabilities of the party of the first part, and bonds therefor may be certified by the Trustee on the resolution of the Board of Directors or Executive Committee of the party of the first part."

And Whereas, on the 8th day of October, 1881, the Executive Committee of the party of the first part, by resolution duly adopted, authorized the execution and delivery of one million of dollars of the said $2,000,000 of bonds set apart in said section eighth, numbered from 28,218 to 29,217, both inclusive, for the purpose of providing new equipment, which equipment when acquired, was conveyed in trust to the party hereto of the second part in and by a certain Indenture dated March 1st, 1882, between the International Railway Improvement Company of the first part, the Mercantile Trust Company of the second part and the Missouri, Kansas and Texas Railway Company of the third part;

And Whereas, on the 17th day of September, 1886, the Executive Committee of the said party of the first part, by resolution duly adopted, authorized the execution and delivery of the remaining one million of dollars of bonds set apart in section eighth as aforesaid, being bonds numbered from 29,218 to 30,217, both inclusive, for the purpose of providing additional new equipment;

And Whereas, pursuant to the covenants for further assurance contained in said mortgage of December 1st, 1880, and for the better securing of the bonds already issued, and to be hereafter issued under said mortgage, it is proposed to bring under and subject to the lien and conditions of said general consolidated mortgage of December 1st, 1880, the equipment and rolling stock purchased and paid

for out of the proceeds of sale of said one million of dollars of bonds last above authorized.

NOW, THEREFORE, THIS INDENTURE, made this first day of December, 1887, by and between the Missouri, Kansas and Texas Railway Company, party of the first part, and the Mercantile Trust Company of New York, party of the second part, witnesseth, that in consideration of the premises and of the sum of one dollar to the party of the first part in hand paid by the party of the second part, the receipt whereof is hereby acknowledged, the said party of the first part, in order the more fully to secure the payment of the principal and interest of the bonds so as aforesaid issued and to be issued by it, and in order to bring in and subject to the conditions of the aforesaid mortgage of date December 1st, 1880, the said equipment and rolling stock last above referred to and hereinafter more particularly described, and for the purpose and with the intent of securing the bonds mentioned in said mortgage of December 1st, 1880, equally and alike, upon all the property of said party of the first part, described and conveyed in this mortgage and in the said mortgage of December 1st, 1880, in the same manner and with the same effect as if all of said equipment and rolling stock had been originally conveyed by one and the same Indenture, hath granted, bargained, sold, assigned, transferred, confirmed and conveyed, and by these presents doth grant, bargain, sell, assign, transfer, confirm and convey to the said party of the second part, as Trustee, its lawful successors or successor in the trust created by said mortgage, all and singular the following described rolling stock and equipment:

Eight hundred (800) box cars, numbered from 9,000 to 9,799, both inclusive, built by the Missouri Car and Foundry Company of St. Louis, Missouri.

Five hundred (500) coal cars, numbered from 5,000 to 5,499, both inclusive, built by the Barney & Smith Manufacturing Company, of Dayton, Ohio.

Two hundred and fifty (250) stock cars, numbered from 8,200 to 8,449, both inclusive, built by the said Missouri Car and Foundry Company, of St. Louis, Missouri.

Twenty-five (25) passenger coaches, numbered from 50 to 74, both inclusive, built by the Gilbert Car Manufacturing Company, of Troy, New York.

Ten (10) combination cars, numbered from 75 to 84, both inclusive, built by the said Gilbert Car Manufacturing Company.

Twenty (20) locomotive engines, numbered from 501 to 520, both inclusive, built by the Baldwin Locomotive Works, of Philadelphia, Pennsylvania.

TO HAVE AND TO HOLD the above described property, and every part and parcel thereof, with the appurtenances, unto the said party of the second part and its successors, in trust, nevertheless, and for the equal *pro rata* benefit and security of all and every the persons or corporations who may be or may become holders of any of the bonds issued hereunder, or under the mortgage aforesaid, of date December 1st, 1880, or any future supplemental mortgages thereto executed in conformity with its provisions, without any preference or priority of any one bond over another, by reason of priority in time of issue or negotiation thereof, or otherwise, and for all of the uses and purposes declared and expressed in the aforesaid mortgage, dated the 1st day of December, 1880, all of the provisions of which remain in full force and effect the same as if this Indenture had not been made, and all of these Indentures shall be read together and construed as one instrument.

And inasmuch as it is intended that this instrument shall be recorded in the proper offices in each of the several counties of the said States wherein the property conveyed hereby, or intended so to be, or some part thereof, is situated, as nearly at the same time as possible, this Indenture further witnesseth that, although five or more copies or counterparts thereof are simultaneously executed by the said Railway Company, the said party of the first part, by one of its Vice-Presidents, under its corporate seal, attested by its Secretary, in pursuance of the resolutions of the said Company, and delivered to the said Trustee, and the said Trustee, in evidence of its acceptance of the trust created, has likewise duly executed said five or more copies or counterparts, all of said copies or counterparts so executed and delivered, each as an original, shall constitute but one and the same instrument.

In testimony whereof, the Missouri, Kansas and Texas Railway Company, the said party of the first part, has caused its corporate name to be hereunto signed by one of its Vice-Presidents, and its corporate seal attested by its Secretary, to be hereunto affixed; and the Trustee, the said party of the second part, has signified its acceptance of the trusteeship herein created by likewise causing its corporate name to be hereunto signed by its President, and its corporate seal, attested by its Secretary, to be hereunto affixed, the day and year first above written.

MISSOURI, KANSAS AND TEXAS RAILWAY CO.,
[seal.] By George J. Gould,
3d Vice-President.

Attest:
H. B. Henson,
Secretary.

THE MERCANTILE TRUST COMPANY,
[seal.] By Louis Fitzgerald,
President.

Attest:
H. C. Deming,
Secretary.

Signed in presence of—Wm. J. Harding,
Geo. L. Bastedo.

State of New York, }
City and County of New York, } ss.

Be it remembered, that on this 27th day of January, A. D., 1888, before me, Wm. J. Harding, a notary public in and for the State and county of New York, personally appeared George J. Gould, Thrid Vice-President, and H. B. Henson, Secretary, of the Missouri, Kansas and Texas Railway Company, to me respectively personally known to be such, who, being by me severally sworn, did depose and say that he, said Gould, resides in New York City, State of New York; that he, said Gould, is the Third Vice-President, and he, said Henson, is the Secretary, of the said Railway Company; that they

both know the corporate sealof said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Executive Committee of the Board of Directors of said Company, and that they, the said Gould, as such Third Vice-President, and the said Henson, as such Secretary, signed the name of said Company, and their own names thereto, by the like order, as Third Vice-President and Secretary of said Company, respectively, and they each, respectively, being personally known to me to be the same persons whose names are signed to the foregoing instrument, as parties thereto, acknowledged to me that they signed, sealed and executed the same as their own free and voluntary act and deed, and as the free and voluntary act and deed of the said Company, for the consideration, purposes and objects therein stated.

On the same day there also personally appeared before me, Louis Fitzgerald, President, and Henry C. Deming, Secretary of the Mercantile Trust Company, to me respectively personally known to be such, who being by me severally duly sworn, did depose and say, that he, said Fitzgerald, resides in New York city, State of New York; that he, said Fitzgerald, is the President, and he, said Deming, is the Secretary of the said Mercantile Trust Company; that they both know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said Fitzgerald, as such President, and the said Deming as Secretary, signed the name of said Company, and their own names thereto, by the like order, as President and Secretary of said Company, respectively, and they each, respectively, being personally known to me to be the same persons whose names are signed to the foregoing instrument, as parties thereto, acknowledged to me that they signed, sealed and executed the same as their own free and voluntary act and deed, and as the free and voluntary act and deed of the said Company, for the consideration, purposes and objects therein stated.

In witness whereof, I have hereunto set my hand and affixed my official seal, this the 27th day of January, A. D., 1888.

[SEAL.]

WM. J. HARDING,
Notary Public,
New York and Kings Counties,
State of New York.

COPY OF THE MINUTES

OF THE

BOARD OF DIRECTORS' and STOCKHOLDERS' MEETINGS

Authorizing the purchase of the following railroads in Texas:

The Gainesville, Henrietta and Western Railway,
The Dallas and Greenville,
The Taylor, Bastrop and Houston,
The Dallas and Wichita,
The East Line and Red River Railway,
The Trinity and Sabine Railway,
Missouri, Kansas and Texas Railway Extension Company.

Minutes of Board of Directors' Meetings.

SPECIAL MEETING OF THE EXECUTIVE COMMITTEE, held on the 23d day of January, 1882.

"On motion of Mr. Sloan, duly seconded, the following resolutions were duly adopted, viz:

WHEREAS, negotiations for the purchase by this company of the Dallas and Wichita Railway, extending from Dallas to Denton, in the State of Texas, a distance of thirty-nine miles, have been consummated and said railroad has been duly conveyed by the Dallas and Wichita Railroad Company to this Company, by deed duly exe-

cuted and acknowledged, of which the following is a copy: (Here follows the conveyance).

"NOW, THEREFORE, be it

Resolved, That this Company hereby accepts the delivery of said conveyance, and the railroad and property therein described, and will cause the said railroad and property to be merged into the property of this Company upon the terms in said conveyance set forth.

Resolved, That the Mercantile Trust Company, Trustee under the General Consolidated Mortgage of this Company, of December 1st, 1880, be and is hereby requested, to certify and deliver under Section Ninth of said mortgage, seven hundred and eighty thousand dollars ($780,000) of the bonds therein provided to be issued, commencing with No. 37,520, in payment for said thirty-nine (39) miles of railroad of the Dallas and Wichita Railroad Company, being at the rate of twenty thousand dollars per mile of road acquired as aforesaid.

SPECIAL MEETING OF THE EXECUTIVE COMMITTEE, held the 16th day of December, 1882.

"An Indenture and Contract by and between the Trinity and Sabine Railway Company, as party of the first part, and the Missouri, Kansas and Texas Railway Company, of the second part, was presented and read, as follows: (Here follows the Indenture and Contract).

"And the said Indenture and Contract having been considered, it was, on motion of Mr. Sloan, duly seconded,

Resolved, That this Company hereby approves of, and assents to, the said contract and accepts the delivery of the same to it, and will cause the same to be recorded and all the property therein mentioned to be acquired by and merged into the property of this Company on the terms and conditions in the said indenture and contract set forth.

Further Resolved, That the Executive Officers of this Company be and they are hereby authorized and empowered to perform all of the obligations and stipulations in the said contract to be done and performed by this Company, and that the Mercantile Trust Company, as Registrar of this Company's stock, is hereby requested to countersign an issue of sixty-seven hundred and four (6,704) shares of $100 each of the increased capital stock of this Company (being the

amount of the $25,000,000 of increased capital stock remaining unissued) on account of the stock required to be issued by the terms of the aforesaid Indenture at the rate of twenty thousand dollars per mile for thirty-eight miles of railway.

Also, That the said Mercantile Trust Company, as Trustee of the General Consolidated Mortgage of this Company, be and is hereby requested to certify under Section Ninth of said mortgage, seven hundred and sixty thousand dollars ($760,000) of the bonds therein provided to be issued, commencing with No. 40,412, which bonds are to be used for the purpose of exchanging a like amount of outstanding bonds of the said Trinity and Sabine Railway Company, issued under and secured by a mortgage dated December 15th, 1881, executed by the said Trinity and Sabine Railway Company to the said Mercantile Trust Company as Trustee.

Special Meeting of the Executive Committee, held on the 3d day of December, 1886.

"The following Indenture and Contract was presented and read: (Here follows the Indenture and Contract).

Thereupon, on motion of Mr. Sloan, duly seconded, the following resolution was adopted, viz:

Whereas, This Company has acquired, by the said Indenture and Contract, the line of railway of the Taylor, Bastrop and Houston Railway Company, extending from Taylor, on the main line of this Company, in the State of Texas, to Bastrop, in said State, a distance of thirty-four and one-fourth (34¼) miles, together with the rights, privileges and franchises of said Company, subject, however, to a certain mortgage executed by said Company under date of December 1st, 1886, to secure bonds issued at the rate of $20,000 per mile, and aggregating for said thirty-four and one-fourth miles six hundred and eighty-five thousand dollars ($685,000) of bonds.

"Now, therefore, it is

Resolved, That this Company hereby approves of and assents to the foregoing Indenture and Contract, and accepts the delivery of the same, and will cause the same to be recorded, and all the property therein mentioned to be acquired by and merged into property of this Company on the terms and conditions in said Indenture and Contract set forth. And the executive officers of this Company are hereby authorized and empowered to perform all of the obligations

and stipulations in the said contract to be done and performed by this Company.

Further Resolved, That the Mercantile Trust Company, Trustee under the General Consolidated Mortgage of this Company, be and is hereby requested to certify and deliver, under Section Ninth of said mortgage, six hundred and eighty-five thousand dollars ($685,000) of the bonds therein provided to be issued, commencing with No. 42,001, for the purpose of exchanging a like amount of outstanding bonds of the said Taylor, Bastrop and Houston Railway Company, issued under and secured by said last named Company's mortgage of December 1st, 1886.

"The following Indenture and Contract was also presented and read, viz: (Here follows the Indenture and Contract.)

"Thereupon, on motion of Mr. Sage, duly seconded, the following resolution was adopted, viz:

WHEREAS, This Company has acquired, by the said Indenture and Contract, the line of railway of the Dallas and Greenville Railway Company, extending from Dallas to Greenville, in the State of Texas, a distance of fifty-two miles, together with the rights, privileges and franchises of said Company, subject, however, to a certain mortgage executed by said Company under date of December 1st, 1886, to secure bonds issued at the rate of $20,000 per mile, and amounting in the aggregate to one million and forty thousand dollars ($1,040,000).

NOW, THEREFORE, it is

Resolved, That this Company hereby approves of and assents to the foregoing Indenture and Contract, and accepts delivery of the same and will cause the same to be recorded, and all the property therein mentioned to be acquired by and merged into the property of this Company on the terms and conditions in said Indenture and Contract set forth, and the Executive Officers of this Company are hereby authorized and empowered to perform all of the obligations and stipulations in the said contract to be done and performed by this Company.

Further Resolved, That the Mercantile Trust Company, Trustee under the General Consolidated Mortgage of this Company, be and is hereby requested to certify and deliver, under Section Ninth of said mortgage, one million and forty thousand dollars of the bonds therein provided to be issued, commencing with No. 42,686, for the purpose of exchanging a like amount of outstanding bonds of the said Dallas and Greenville Railway Company, issued under and se-

cured by said last named Company's mortgage of December 1st, 1886.

Special Meeting of the Board of Directors, held on the 12th day of February, 1887.

"The minutes of the last meetings of the Executive Committee were read and approved. The following Indenture and Contract was presented and read, viz: (Here follows the Indenture and Contract).

Thereupon, on motion of Mr. Sloan, duly seconded, the following resolutions were adopted, viz:

Whereas, This company has acquired by the said Indenture and Contract the line of railway of the Gainesville, Henrietta and Western Railway Company, as constructed from Gainesville, in Cooke county, State of Texas, to a point in the northwesterly portion of Montague county, in said State, distant fifty miles from said town of Gainesville, together with the rights, privileges and franchises of said Company, subject, however, to a certain mortgage executed by said Gainesville, Henrietta and Western Railway Company, under date of December 1st, 1886, to secure bonds issued at the rate of $20,000 per mile and amounting in the aggregate for said fifty miles to one million of dollars ($1,000,000).

Now, therefore, it is

Resolved, That this Company hereby approves of and assents to the foregoing Indenture and Contract and accepts delivery of the same, and will cause the same to be recorded and all the property therein mentioned to be acquired by and merged into the property of this Company on the terms and conditions in said Indenture and Contract set forth, and the Executive Officers of this Company are hereby authorized and empowered to perform all of the obligations and stipulations in the said contract to be done and performed by this Company.

Further Resolved, That the Mercantile Trust Company, Trustee under the General Consolidated Mortgage of this Company, be and is hereby requested to certify and deliver, under Section Ninth of said mortgage, one million of dollars of the bonds therein provided, to be issued, commencing with No. 43,726, for the purpose of exchanging a like amount of outstanding bonds of the said Gainesville, Henrietta and Western Railway Company, issued under and secured by said last named Company's mortgage of December 1st, 1886.

Special Meeting of the Executive Committee, held on the 8th day of October, 1881.

"The draft of an Indenture and Contract by and between the East Line and Red River Railroad Company, as party of the first part, and the Missouri, Kansas and Texas Railway Company of the second part, was presented and read as follows: (Here follows Indenture and Contract.) And the said Indenture and Contract having been considered it was, on motion of Mr. Forrest, duly seconded,

Resolved, That this Company hereby approves of and assents to the said Contract, and when executed by the East Line and Red River Railroad Company, will accept the delivery of the same to it and cause the same to be recorded and all the property therein mentioned to be acquired by and merged into the property of this Company, on the terms and conditions in the said Indenture and Contract set forth.

Further Resolved, That when the Indenture and Contract aforesaid shall have been duly approved by the stockholders of the East Line and Red River Railroad Company, and shall have been executed and delivered to this Company, the executive officers of this Company be and they are hereby authorized and empowered to perform all of the obligations and stipulations in the said Contract to be done and performed by this Company, and that the Mercantile Trust Company, as Registrar of this Company's stock, is hereby requested to countersign the issue of the twelve thousand four hundred (12,400) shares of one hundred dollars each of the increased capital stock of this Company required to be issued by the terms of the aforesaid Indenture, being at the rate of ten thousand dollars per mile for one hundred and twenty-four miles of constructed road of the said East Line and Red River Railroad Company, extending from Jefferson to Greenville, in the State of Texas; and

Also, that the said The Mercantile Trust Company, as Trustee of the General Consolidated Mortgage of this Company, be and is hereby requested to certify, under Section Ninth of said mortgage, one million two hundred and forty thousand dollars ($1,240,000) of the bonds therein provided to be issued, commencing with No. 34,102, of which amount eight hundred and sixty-eight thousand dollars ($868,000) are to be set apart and reserved for the purpose of exchanging a like amount of outstanding bonds of the said East Line and Red River Railroad Company issued under and secured by a mortgage dated June 1st, 1880, executed by the said East Line and

Red River Railroad Company to the Fidelity, Insurance, Trust and Safe Deposit Company of the city of Philadelphia, and the remaining three hundred and seventy-two thousand dollars ($372,000) of said bonds are to be delivered in accordance with the terms of the aforesaid Indenture and Contract, when said Contract shall have been executed and delivered to this Company.

Special Meeting of the Board of Directors, December 21, 1881.

Minutes of Executive Committee meeting were read and approved.

"On motion of Mr. Sloan, duly seconded, the following resolutions were adopted, viz:

Resolved, That the resolutions adopted by the Executive Committee on the 8th day of October, 1881, accepting the conveyance of the East Line and Red River Railroad Company to this Company, as set forth in the minutes of meeting of that date, and authorizing the issue and delivery of 12,400 shares of the increased capital stock and $1,240,000 of the General Consolidated Bonds of this Company, on account of said East Line and Red River Railroad, be and the same are here rescinded, and the following resolutions are hereby adopted in lieu thereof, viz.:

Resolved, That the Indenture and Contract conveying the property and franchises of the East Line and Red River Railroad Company to this Company, as recorded on pages 357 to 359 of Directors' Minute Book No. 2, be so modified that a part of the consideration therefor shall consist of thirteen thousand dollars per mile of the General Consolidated Bonds of this Company, instead of the three thousand dollars per mile in said bonds in said Indenture and Contract provided, and that when said Contract and Indenture, modified as aforesaid, shall have been executed by the East Line and Red River Railroad Company, this Company will accept the delivery thereof and cause it to be duly recorded, and all the property therein mentioned to be acquired by and merged into the property of this Company on the terms and conditions in said Indenture set forth.

Resolved, That when said Indenture and Contract, as modified, shall have been duly approved by the stockholders of the East Line and Red River Railroad Company, and shall have been executed and delivered to this Company, the Executive Officers of this Company be, and they are hereby authorized and empowered to perform all of the obligations and stipulations in the said Contract to be done

and performed by this Company, and that the Mercantile Trust Company, as Registrar of this Company's stock, is hereby requested to countersign an issue of twelve thousand four hundred (12,400) shares of one hundred dollars each of the increased capital stock of this Company, required to be issued by the terms of the aforesaid Indenture, being at the rate of ten thousand dollars per mile for one hundred and twenty-four miles of constructed road of the said East Line and Red River Railroad Company, extending from Jefferson to Greenville, in the State of Texas.

Resolved, That the said The Mercantile Trust Company, as Trustee of the General Consolidated Mortgage of this Company, be and is hereby further requested to certify under Section Ninth of said mortgage two million four hundred and eighty thousand dollars($2,480,000) of the bonds therein provided to be issued, commencing with No. 34,102, of which amount eight hundred and sixty-eight thousand dollars ($868,000) are hereby set apart and reserved for the purpose of exchanging a like amount of outstanding bonds of the said East Line and Red River Railroad Company, issued under and secured by a mortgage dated June 1st, 1880, executed by the said East Line and Red River Railroad Company to the Fidelity, Insurance, Trust and Safe Deposit Company, of the City of Philadelphia, and the remainder of said bonds are to be delivered in accordance with the terms of the General Consolidated Mortgage for the purposes in said Contract and Indenture provided.

Special Meeting of Executive Committee, held the 11th day of December, 1880.

"The question of acquiring the railway and franchises of the Missouri, Kansas and Texas Extension Railway Company by purchase of securities, issued thereupon, was discussed, and on motion, duly seconded, Mr. Russell Sage and the Counsel of the Company were appointed a committee, with power to negotiate and consummate such purchase on the best obtainable terms.

Special Meeting of the Board of Directors, held on the 14th day of January, 1881.

"The committee to negotiate for the purchase of the securities of the Missouri, Kansas and Texas Extension Railway, with a view of

making said railway a part of the property of this Company, reported, through Mr. McCready, that the negotiations were progressing favorably, a considerable number of the holders of such securities having indicated their acceptance of the terms proposed.

The report of the committee was accepted and the committee continued.

Special Meeting of the Executive Committee, held on the 5th day of February, 1881.

The following resolution was approved and adopted:

Resolved, That for the purpose of purchasing and acquiring the ninety-four miles of railway extending from Denison, Texas, southeasterly to Greenville, in said State of Texas, and from Denison southwesterly to Gainesville, in said State, being the property of the Missouri, Kansas and Texas Extension Railway Company, together with the franchises, rights and property pertaining thereto, the Mercantile Trust Company, Trustee under the General Consolidated Mortgage of this Company, of December 1st, 1880, be and is hereby authorized and requested to deliver upon the order of the President one million eight hundred and eighty thousand dollars ($1,880,000) of bonds issued under and secured by said mortgage, said bonds to commence with No. 30,218.

Note.—The deed conveying the Missouri, Kansas and Texas Extension Railway Company appears in Directors' Minute Book No. 2, but no resolution accepting the same appears therein.

Minutes of Stockholders' Meetings.

Annual Meeting of the Stockholders of the Missouri, Kansas and Texas Railway Company, held at the office of the Company, in Parsons, Kansas, on Wednesday, the 17th day of May, 1882, at 12 o'clock noon, pursuant to the By-Laws and notice duly published and given.

Resolved, That the stockholders of this Company hereby ratify and

confirm the action of the Board of Directors and of the Executive Committee thereof in acquiring the railroads and franchises of the Missouri, Kansas and Texas Extension Railway Company, the East Line and Red River Railroad Company, and the Dallas and Wichita Railway Company upon the terms contained in the respective deeds of conveyance, as set forth in the Directors' Book of Minutes No. 2, now submitted, and we do hereby authorize and consent to the merger of said railroads and franchises with the property and franchises of this Company upon the terms named in said deeds of conveyance respectively.

Annual Meeting of the Stockholders, held at the office of the Company, in Parsons, Kansas, on Wednesday, the 18th day of May, 1881, at 12 o'clock noon, pursuant to the By-Laws and notice duly published and given.

Further Resolved, "That the acts of the officers and Directors of the Company in issuing and delivering one million eight hundred and eighty thousand dollars ($1,880,000) of said General Consolidated Bonds, and one million eight hundred and eighty thousand dollars ($1,880,000) of the increased capital stock for the purpose of acquiring the railway and property of the Missouri, Kansas and Texas Extension Railway Company, be and the same are hereby ratified and confirmed and adopted as the acts of this corporation;

Also, at the Stockholders' Meeting of May 17, 1882, the following resolution was passed:

Resolved, That all the acts and proceedings of the Board of Directors and of the Executive Committee thereof, as contained in the Minutes now submitted and recorded on pages 344 to 403, both inclusive, of Directors' Minute Book No. 2, and also the official acts of the officers since the annual meeting of 1881, be and the same are hereby approved, ratified and confirmed, and that the same are hereby adopted as and made the acts and doings of this corporation.

Resolved, That the proceedings of the Board of Directors and of the Executive Committee thereof from the 23d day of May, 1881, to the present time, as recorded in Directors' Minute Book No. 2, on pages 344 to 403, both inclusive. be and the same are hereby ordered to be made matters of record in the same manner and to the same extent, and have the same effect as though all of said meetings had been held in the State of Kansas.

Annual Meeting of the Stockholders of the Missouri, Kansas and Texas Railway Company, held at the office of the Company, in Parsons, Kansas, on Wednesday, the 16th day of May, A. D., 1883, at 12 o'clock noon, pursuant to the By-Laws and notice duly published and given according to law.

Resolved, That the stockholders of this Company hereby approve, ratify and confirm the action of the Board of Directors, through its Executive Committee, in acquiring the railway and franchises of the Trinity and Sabine Railway Company, upon the terms contained in the Indenture and Contract set forth on pages 421 to 423 of Directors' Minute Book No. 2, now submitted.

And we do hereby authorize and consent to the merger of said railroad and franchises with the property and franchises of this Company upon the terms named in said Indenture.

Annual Meeting of the Stockholders of the Missouri, Kansas and Texas Railway Company, held at the office of the Company, at Parsons, Kansas, on Wednesday, the 19th day of May, A. D., 1886, at 12 o'clock noon, pursuant to the By-Laws of the said Company, and notice duly published and given according to law.

The following preamble and resolutions were adopted, viz:

Whereas, At a special meeting of the stockholders of this Company, duly convened and held on the 17th day of November, 1880, at which more than two-thirds of the then outstanding capital stock were represented and voted in favor thereof, the Directors of this Company were empowered to use and apply the increased capital stock and General Consolidated Bonds at said meeting authorized to be created and issued for the purpose of perfecting and completing the railway system of the Company by the purchase and construction in Texas and elsewhere of extensions of and annexations to this Company's line of railway; and

Whereas, In furtherance of the policy adopted and approved at said meeting of stockholders, and in order to foster and protect the business of the Company as well as to enable it to meet a rapidly increasing competition with other railway companies, it is deemed advisable at the present time to secure, either by purchase or construction, in addition to the lines already acquired and constructed, the following described lines of railway in the State of Texas, viz:

The railway of the Dallas and Greenville Railway Company, ex-

tending from Greenville, in Hunt county, to Dallas, in Dallas county.

A line of railway extending from Gainesville, in Cook county, westwardly through Montague, Clay and Archer counties.

A line of railway extending from Fort Worth, in Tarrant county, southwestwardly through Johnson, Hood, Comanche, Hamilton, Brown, Lampasas and San Saba counties, or either of them.

A line of railway extending southeastwardly from Taylor, on the main line, through Bastrop and Fayette counties.

A line of railway extending from the present terminus of the Trinity and Sabine Railway eastwardly, through Jasper and Newton counties, to the eastern boundary line of the State of Texas.

A line of railway extending from Dangerfield, on the East Line and Red River Railroad, northeastwardly, through Cass and Bowie counties, to or near Texarkana.

"NOW, THEREFORE, IT IS

Resolved, That the Board of Directors of this Company, or the Executive Committee thereof, be and they are hereby empowered and requested to use and apply the six per cent. General Consolidated Bonds of this Company provided to be issued under the General Consolidated Mortgage of December 1st, 1880, in securing by construction or purchase the annexations and extensions before described and such other and further extensions and annexations, as in the judgment of the Board of Directors or Executive Committee thereof may be deemed necessary, at a cost not exceeding the rate of twenty thousand dollars per mile in said bonds for each and every mile of railway so constructed or acquired.

Further Resolved, That the conveyance and transfer to this Company of the railway and property purchased from other companies pursuant to the foregoing resolution be made in such manner and upon such terms as shall be approved by counsel of the Company.

ANNUAL MEETING OF THE STOCKHOLDERS of the Missouri, Kansas and Texas Railway Company, held at the office of the Company, in Parsons, Kansas, on Wednesday, the 18th day of May, A. D. 1887, at 12 o'clock noon, pursuant to the By-Laws of said Company and notice duly published and given, according to law, the following resolution was adopted:

Resolved, That the action of the Executive Committee and of the

Board of Directors in acquiring the railways and the properties of the Taylor, Bastrop and Houston Railway Company, the Dallas and Greenville Railway Company, and the Gainesville, Henrietta and Western Railway Company, and in issuing and delivering the six per cent. General Consolidated Bonds of the Company at the rate of twenty thousand dollars ($20,000) per mile on account of and in payment for said railways, as set forth on pages 28 to 33, 38 to 41, 52 and 53, all inclusive, of Directors' Minute Book No. 3, now submitted, be and the same is hereby ratified, approved and confirmed by the stockholders of this Company.

The Denison and Pacific Railway.

The Denison and Southeastern Railway Company.

The Missouri, Kansas and Texas Extension Railway Company.

DENISON AND PACIFIC RAILWAY.

The Denison and Pacific Railway was organized, under the General Laws of the State of Texas, by Articles of Association, dated the 19th day of April, 1878, which were filed in the office of the Department of State, April the 24th, 1878.

Under its charter it was authorized to construct a railway from Denison, in the county of Grayson, through the counties of Cooke, Montague, Clay, Jack and Archer, a distance of one hundred and fifty miles, to Belknap, in Young county.

By instrument of writing dated the 11th day of March, 1880, the Denison and Pacific Railway sold and conveyed to the Denison and South Eastern Railway Company its line of railway, then constructed and thereafter to be constructed under its charter, together with its right of way, depot grounds, and other lands, etc., together with its rolling stock and equipments, and also all corporate and other franchises, rights and privileges connected therewith.

The Denison and South Eastern Railway Company,

AFTERWARD NAMED

MISSOURI, KANSAS AND TEXAS EXTENSION RAILWAY COMPANY.

The Denison and South Eastern Railway Company was organized and incorporated, under the General Laws of the State of Texas, by Articles of Association, dated the 10th day of July, 1877, which were filed in the Department of State July 27, 1877.

Under its charter it was empowered to construct a line of railway from Denison, in the county of Grayson, through the county of Fannin, a distance of fifty miles, to Greenville, in the county of Hunt.

By amended articles of incorporation, dated the 6th day of March, 1880, filed in the Department of State March 23, 1880, the name of the corporation was changed to that of "*Missouri, Kansas and Texas Extension Railway Company.*"

The route of the railway of the Company was also amended, empowering it to construct the proposed railway from Denison, in the county of Grayson, through the county of Fannin, a distance of fifty miles, to Greenville, in the county of Hunt, and also from the said city of Denison, in the county of Grayson, through the counties of Cooke, Montague, Clay, Archer and Jack, to Belknap, in the county of Young, a distance of one hundred and fifty miles, more or less, making the whole line of said road a distance of two hundred miles, more or less.

By instrument of writing, dated the 11th day of March,

1880, the Denison and Pacific Railway conveyed to the Denison and South Eastern Railway Company its line of railway, then constructed and thereafter to be constructed, under its charter, together with its right of way, depot grounds, other lands, etc., together with its rolling stock and equipments; and also, all corporate and other franchises, rights and privileges connected therewith.

On the 1st day of February, 1878, the Denison and Southeastern Railway Company executed and delivered to the Union Trust Company, of New York, a mortgage conveying that certain part, or portion, of the railway which the said Company had contracted to construct, from the City of Denison southeasterly to a point in Fannin county, a distance of twenty miles, more or less, together with its right of way, depot grounds, other lands, etc., rolling stock and equipments; and also, all corporate and other franchises, rights or privileges, connected with, or relating to, the said railway, or to the construction, maintenance, or use of the railway conveyed; and also, all the lands which might be acquired from the State of Texas, by reason of the construction of the said twenty miles of railway.

The mortgage was executed to secure a series of bonds, of said company, to the amount of one hundred and ninety thousand dollars, said bonds to bear interest at the rate of twelve per cent. per annum, and were payable in New York, on or before the first day of February, 1888.

On the first day of June, 1880, the Missouri, Kansas and Texas Extension Railway Company executed to the Union Trust Company, of New York, Trustee, a mortgage conveying, to said Trust Company, its corporate property and franchises, to secure a series of bonds, two

thousand in number, of said railway company, for one thousand dollars each, payable on the first day of June, 1900, at New York, with interest at the rate of ten per cent. per annum, payable semi-annually.

On the 26th day of November, 1881, the Union Trust Company, of New York, executed a release, acknowledging the payment of said bonds, and releasing said mortgage.

On the 26th of May, 1881, the Union Trust Company, of New York, the Missouri, Kansas and Texas Extension Railway Company, and the Missouri, Kansas and Texas Railway Company entered into an agreement conveying all the property, franchises and rights of the Missouri, Kansas and Texas Extension Railway Company to the Missouri, Kansas and Texas Railway Company.

Following are the instruments hereinbefore referred to.

DENISON AND PACIFIC RAILWAY.

ARTICLES OF ASSOCIATION,

Dated April 19th, 1878. *Filed in the Department of State April 24th, 1878.*

Know all men by these presents, that we, the undersigned subscribers to the stock of the contemplated railroad hereinafter described, being desirous of forming a corporation for the purpose of constructing, owning and maintaining such railroad, pursuant to the provisions of an act of the Legislature of the State of Texas, approved August 19, 1876, entitled "An Act to provide for the incorporation of associations that may be organized for the purpose of constructing railways, maintaining and operating the same, for prescribing and defining the duties and limiting the powers of such corporations when so organized," do hereby adopt the following articles of incorporation, to wit:

First. The name of said corporation shall be, The Denison and Pacific Railway.

Second. It is intended to construct the proposed railway from Denison, in the county of Grayson, through the counties of Cooke, Montague, Clay, Jack, and Archer, a distance of one hundred and fifty miles, to Belknap, in Young county.

Third. The principal business office of said corporation shall be established and maintained at Denison, Grayson county, Texas.

Fourth. The existence of the said corporation shall commence at the date of the filing hereof in the office of the Secretary of the State of Texas, and shall continue for the period of fifty years next thereafter.

Fifth. The amount of the capital stock of the said corporation shall be one million five hundred thousand dollars, divided into fifteen thousand shares of one hundred dollars each.

Sixth. The association to be incorporated as aforesaid is formed

of the several persons below named: William A. Sanford, John B. McDougal, Edward Perry, James Scullin, Alexander W. Acheson, Samuel Star, Silas G. Eddy, and William S. Lowe, all of whom reside in the City of Denison, county of Grayson, and State of Texas; John Scullin, who resides at St. Louis, in the State of Missouri, and Henry D. Merick, who resides at Hannibal, in the State of Missouri.

Seventh. The names of the members of the first Board of Directors of said corporation are: R. S. Stevens, John Scullin, H. D. Merick, Edward Perry, R. C. Foster, W. H. Sanford, and A. W. Acheson, a majority of whom are citizens and residents of the State of Texas. The government of said corporation and the management of its affairs shall be vested in the Board of Directors, and in a President, Vice-President and Executive Committee of three persons, who shall all be chosen from and act under the direction of said Board.

Eighth. The capital stock of said corporation shall be divided into fifteen thousand shares of one hundred dollars each.

In witness whereof we have hereunto signed our names this nineteenth day of April, in the year one thousand eight hundred and seventy eight.

(Signed) EDWARD PERRY,
JOHN SCULLIN,
H. D. MERICK,
W. H. SANFORD,
W. S. LOWE,
JAS. SCULLIN,
J. B. MCDOUGALL,
SAM'L STAR,
S. D. EDDY,
ALEX. M. ACHESON.

STATE OF TEXAS, }
County of Grayson. } ss.

I, A. H. Coffin, a Notary Public within and for the county of Grayson, in the State of Texas, duly commissioned and qualified to take acknowledgements of deeds, do hereby certify that John Scullin, William H. Sanford, Henry D. Merick, John B. McDougall, Edward Perry, James Scullin, Alexander W. Acheson, Sam'l Star, Silas G. Eddy, and William S. Lowe, this day personally came before me and severally acknowledged that they signed the foregoing instrument of writing bearing date on the nineteenth day of April, A. D. 1878, as

their voluntary act and deed for the uses and purposes therein mentioned.

In testimony whereof I have hereunto set my hand and affixed my seal this nineteenth day of April, A. D. 1878.

(Signed) A. H. COFFIN,
[SEAL.] Notary Public.

STATE OF TEXAS, }
County of Grayson. } ss.

Be it remembered, that on this day, nineteenth of April, A. D. 1878, before me, a Notary Public within and for the county of Grayson, in the State of Texas, personally appeared John Scullin, William H. Sanford and Henry D. Merick, who being severally duly sworn, did each for himself depose and say that he is a director named in the foregoing articles of incorporation of the Denison and Pacific Railway, and that the capital stock of said Company to the amount of one hundred and fifty thousand dollars, being one thousand dollars per mile of the said railway, has been subscribed, and that five per cent. of the amount has actually been paid in.

(Signed) JOHN SCULLIN,
W. H. SANFORD,
H. D. MERICK.

Sworn to and subscribed before me this nineteenth day of April, A. D. 1878. Given under my hand and seal this nineteenth day of April, A. D. 1878.

(Signed) A. H. COFFIN,
[L. S.] Notary Public.

THE STATE OF TEXAS, }
ATTORNEY GENERAL'S OFFICE. }

This is to certify that the articles of incorporation of the Denison and Pacific Railway Company, to which this certificate is attached, were submitted to me on the 24th day of April, 1878, and after examining the same I find them to be in accordance with the provisions of "An act to provide for the incorporation of associations that may be organized for the purpose of constructing railways, maintaining and operating the same, for prescribing and defining the duties and limiting the powers of such corporations when so organized,"

approved August 15th, 1876, and not in conflict with the laws of the United States, or of this State.

Witness my hand, at Austin, Texas, this, the 24th day of April, A. D. 1878.

(Signed) H. H. BOONE,
Attorney General State of Texas.

[ENDORSED.]

Charter of the Denison and Pacific Railway Company. Filed in the Department of State April 24th, 1878, and recorded on pages 66, 67 and 68 of Records of Railway Charters.

(Signed) J. G. SEARCY,
Secretary of State.

THE STATE OF TEXAS,
DEPARTMENT OF STATE.

I, Jos. W. Baines, Secretary of State of the State of Texas, do hereby certify that the foregoing is a true copy of the original charter of the "Denison and Pacific Railway Company" with the endorsements thereon as now appears of record in this Department.

Witness my official signature, and the seal of the State affixed, at the City of Austin, this 19th day of February, A. D. 1886.

J. W. BAINES,
[SEAL.] Secretary of State.

Denison and South Eastern Railway Company.

Missouri, Kansas and Texas Extension Railway Company.

ARTICLES OF INCORPORATION,

Dated July 10th, 1877. Filed in the Department of State July 27th, 1877.

Know all men by these presents, that we, the undersigned subscribers to the stock of the contemplated Railroad, hereinafter described, being desirous of forming a corporation, for the purpose of constructing, owning and maintaining such Railroad, pursuant to the provisions of an act of the Legislature of the State of Texas, approved August 19th, 1876, entitled "An Act to provide for the incorporation of associations that may be organized for the purpose of constructing railways, maintaining and operating the same, for prescribing and defining the duties and limiting the powers of such corporations when so organized," do hereby adopt the following articles of incorporation, to-wit:

First. The name of said corporation shall be, "The Denison and South Eastern Railway Company."

Second. It is intended to construct the proposed railway from Denison, in the county of Grayson, through the county of Fannin, a distance of fifty miles, to Greenville, in the county of Hunt.

Third. The principal business office of the said corporation shall be established and maintained at Denison, Grayson county, Texas.

Fourth. The existence of the said corporation shall commence at the date of the filing hereof in the office of the Secretary of State of the State of Texas, and shall continue for the period of fifty years next thereafter.

Fifth. The amount of the capital stock of the said corporation shall be fifty thousand dollars, divided into five hundred shares of one hundred dollars each.

Sixth. The association to be incorporated as aforesaid is formed of the several persons below named: Nathaniel L. McCready, Edward K. Bell, Horace M. Ruggles, George J. Forrest, William H. Appleton, Isaac Bell, Francis Skiddy, Henry B. Hinson, Thomas W. Osborne, all of whom reside in the city and State of New York, and Henry D. Merick, who resides at Hannibal, in the State of Missouri.

Seventh. The names of the members of the first Board of Directors of said corporation are: William White Wright, William H. Appleton, Nathaniel L. McCready, Hezron A. Johnson, Edward K. Bell, George J. Forrest, Francis Skiddy, Horace M. Ruggles, and A. W. Acheson.

The government of the said corporation and the management of its affairs shall be vested in the Board of Directors, and in a President and Executive Committee of three persons, who shall all be chosen from and act under the direction of said Board.

Eighth. The capital stock of the said corporation shall be divided into five hundred shares of one hundred dollars each.

In witness whereof we have hereunto signed our names, this tenth day of July, in the year one thousand eight hundred and seventy-seven.

(Signed) N. L. McCready,
Edward K. Bell,
H. M. Ruggles,
George J. Forrest,
William H. Appleton,
Isaac Bell,
H. D. Merick,
Francis Skiddy,
H. B. Henson,
Thomas W. Osborne.

State of New York, }
County of New York, } ss.

I, George W. Browne, a Commissioner for the State of Texas, resident in New York, duly commissioned and qualified to take the

acknowledgment of deeds, etc., do hereby certify that Nathaniel L. McCready, Edward K. Bell, Horace M. Ruggles, George J. Forrest, William H. Appleton, Isaac Bell, Francis Skiddy, Henry B. Henson, Thomas W. Osborne and Henry D. Merick this day personally came before me, and severally acknowledged that they signed the annexed instrument of writing bearing date on the tenth day of July, A. D. 1877, as their voluntary act and deed for the uses and purposes therein mentioned.

In testimony whereof I hereunto set my hand, and affix my official seal, this tenth day of July, A. D. 1887.

(Signed) GEORGE W. BROWNE,
[L. S.] Commissioner for Texas in New York.

STATE OF NEW YORK,
City and County of New York, } ss.

Be it remembered, that on the 11th day of July, A. D. 1877, before me, George W. Browne, a Commissioner for the State of Texas, resident in New York, duly commissioned and qualified, personally appeared Francis Skiddy, George J. Forrest, and Horace M. Ruggles, who, being severally duly sworn, did each for himself depose and say that he is a director named in the foregoing and annexed articles of incorporation of the Denison and South Eastern Railway Company, and that the capital stock of said Company, to the amount of fifty thousand dollars, being one thousand dollars per mile of the said railway, has been subscribed, and that five per cent. of the amount has actually been paid in.

(Signed) FRANCIS SKIDDY,
GEORGE J. FORREST,
H. M. RUGGLES.

Sworn to and subscribed before me this 11th day of July, A. D. 1887.

(Signed) GEORGE W. BROWNE,
[L. S.] Commissioner for the State of Texas in New York.

THE STATE OF TEXAS,
ATTORNEY GENERAL'S OFFICE.

This is to certify that the articles of incorporation of the Denison and South Eastern Railway Company, to which this certificate is attached, were submitted to me on the 17th day of July, 1877, and after examining the same I find them to be in accordance with the provisions of "An act to provide for the incorporation of associations that may be organized for the purpose of constructing railways, maintaining and operating the same, for prescribing and defining the duties and limiting the powers of such corporations when so organized," approved August 15th, 1876, and not in conflict with the laws of the United States, or of this State.

Witness my hand, at Austin, Texas, this the 27th day of July, A. D. 1877.

(Signed) H. H. BOONE,
Attorney General.

The foregoing Charter was endorsed as follows: "Articles of Incorporation of the Denison and South Eastern Railway Company."

Filed in the Department of State July 27th, 1877, and recorded July 28, 1877, on pages 30, 31, 32 and 33 of Record of Railway Charters.

(Signed) J. G. SEARCY,
Secretary of State for the State of Texas.

THE STATE OF TEXAS,
DEPARTMENT OF STATE.

I, Jos. W. Baines, Secretary of State of the State of Texas, do hereby certify that the foregoing is a true copy of the original charter of the "Denison and South Eastern Railway Company" with the endorsements thereon, as now appears of record in this Department.

Witness my official signature, and the seal of the State affixed, at the City of Austin, this 19th day of February, A. D. 1886.

J. W. BAINES,
[SEAL.] Secretary of State.

Denison and Southeastern Railway Company

TO

UNION TRUST COMPANY OF NEW YORK.

MORTGAGE

To Secure One Hundred and Ninety Bonds of One Thousand Dollars each, of date February 1st, 1878.

THIS INDENTURE, made the first day of February, one thousand eight hundred and seventy-eight, between the Denison and South Eastern Railway Company, of the one part, and the Union Trust Company of New York, of the other part.

WHEREAS, The said Denison and South Eastern Railway Company is a corporation duly organized and incorporated under the laws of the State of Texas, for the purpose of building a railway from the city of Denison, in the county of Grayson and State of Texas, to Greenville, in the county of Hunt, in the said State, a distance of about fifty miles;

AND WHEREAS, By the laws of said State, the said Railway Company has authority to borrow money, and to issue and dispose of its bonds for the amount so borowed, and to secure the payment thereof by a mortgage upon its corporate property and franchises;

AND WHEREAS, The Railway Company has resolved to exercise its power by issuing and disposing of its bonds or obligations, to the amount of one hundred and ninety thousand dollars, at such rate of interest, and with such provisions as to redemption, or otherwise, as hereinafter appear, which said bonds or obligations shall be in the

words and figures following, subject only to necessary variations as to the distinguishing numbers and amount thereof:

STATE OF TEXAS.

DENISON AND SOUTH EASTERN RAILWAY COMPANY.

FIRST MORTGAGE BOND.

No. ..... $1,000.

Know all men by these presents, that the Denison and South Eastern Railway Company is indebted to
in the sum of one thousand dollars, lawful money of the United States of America, which the said Company promises to pay to the registered holder thereof on or before the first day of February, in the year of our Lord one thousand eight hundred and eight-eight, at its office or agency, in the city of New York. And the Company also promises to pay interest thereon in the meantime at the rate of twelve per cent. per annum, in the like lawful money, quarterly, on the first days of February, May, August, and November, in each year, at its office in the City of New York, and in case of default in the payment of any quarterly installment of interest, which shall have become payable, and the continuance of such default for the period of three months after the maturity of such installment, the principal of this Bond, with all arrearage of interest thereon, shall become due in the manner and with the effect provided in the Indenture of Mortgage securing the payment of the same hereinafter mentioned.

This Bond is one of a series of Bonds amounting in the aggregate to one hundred and ninety thousand dollars, the payment of each and all of which is equally secured by an Indenture of Mortgage bearing date February 1st, 1878, made by the Denison and South Eastern Railway Company to the Union Trust Company of New York, as Trustee, conveying that part or portion of the Railway of the said Company, extending from the city of Denison, southeasterly, a distance of twenty miles, as the same is or shall be hereafter constructed; and the equipments, appurtenances, property, revenues, franchises and things in the said Indenture of Mortgage mentioned and described.

This Bond is transferable on the books of the Company, at its office in the City of New York.

This bond shall not become obligatory until it shall have been authenticated by a certificate of the said Trustee to the effect that the same is one of the series of bonds described in said mortgage.

In witness whereof the said Company has caused .. corporate seal to be hereto affixed and the same to be attested by the signatures of its President and Secretary, this .. day of ....., A. D. 187..

.....

.....

Now, this Indenture witnesseth, that in consideration of the premises, and the sum of one dollar to the Railway Company duly paid by the said The Union Trust Company of New York, party of the second part, hereinafter called the Trust Company, and in the exercise of the powers in this behalf given to the Railway Company, as hereinbefore mentioned, the Railway Company doth hereby grant, bargain, sell, assign, convey and transfer unto the said Trust Company, its successors and assigns, all and singular that certain part or portion of the railway which the said Company is authorized and has contracted to construct, extending from the said City of Denison, southeasterly, to a point in Fannin county, a distance of twenty miles, more or less, together with the railway, right of way, depot grounds, and other lands, and all tracks, bridges, viaducts, fences and other structures, depots, station-houses, engine-houses, car-houses, freight-houses, wood-houses, and other buildings, all machine shops, and other shops held or equipped by the said Railway Company, its successors or assigns, for use in connection with the said railway or any part thereof, or with the business of the same, and also all locomotives, cars and other rolling stock, or equipments, and all machinery, tools, implements, fuel, and materials for constructing, operating, repairing or replacing said railway, or any part thereof, or any of the equipments or appurtenances of the said railway, or any part thereof, and including also all revenues, rents, tools, sums of money, and income arising or to arise from the said railway, *or other*, the premises hereinbefore expressed to be conveyed, or any of them. And also all corporate or other franchises, rights or privileges connected with or relating to the said railway or to the construction, maintenance or use of the said hereinbefore conveyed railway; and also all the right, title and interest, which the Company now has or may hereafter acquire by reason of the construction of the said railway from Denison southeasterly, a distance of twenty miles, as aforesaid, to and in any lands to which, by the laws of the State of Texas,

the Railway Company may be or become entitled by reason of the construction of the said railway, together with all and singular the tenements, hereditaments, rights, members, privileges, easements and appurtenances to the said railway, lands and premises hereinbefore expressed to be conveyed, or any of them, belonging or in any wise appertaining, or at any time held or enjoyed therewith, and the reversion or reversions, remainder and remainders, tolls, incomes, revenues, rents, issues and profits thereof, and also all the estate, right, title, and interest, property, possession, claim and demand, whatsoever, as well in law as in equity, of the said Railway Company of, in and to the same, and any and every part thereof, with the appurtenances.

To HAVE AND TO HOLD all, and singular the above mentioned and described railway and lands, and all other the premises hereinbefore expressed to be conveyed, with the appurtenances, unto and to the use of the said Trust Company, its successors and assigns, upon and for the trusts, interests and purposes hereinafter expressed and declared, of and concerning the same, that is to say:

First. No one of the said bonds shall be deemed issued, or be valid, or secured by this mortgage, until there shall have been endorsed upon it a certificate duly signed by the Trust Company, or its successor or successors in this trust, to the effect following, that is to say:

The Union Trust Company, of New York, hereby certifies that the within bond is one of the series of bonds described in the Trust Deed or Mortgage within mentioned.

Second. In case any default shall be made by the said Railway Company in the payment of the principal or interest secured by the said bonds or obligations, or some or one of them, according to the tenor thereof, and such default shall continue for the period of three months, it shall be lawful for the said Trust Company, as Trustee, or by its attorneys or agents, to sell and dispose of all and singular the said railway, lands and premises hereinafter expressed to be conveyed, or any of them, or any part or parts thereof, respectively, either together or in parcels, by public auction, in the City of New York, and at such time as it or they may appoint, with power upon any such sale, to make any stipulations as to title, or evidence of title, or form of conveyance, or payment of the purchase money, by installments or otherwise, or any other stipulations with reference to such sale as the said Trust Company, as Trustee, may think proper,

and also with power to buy in, or rescind, or vary any contract for sale; and to resell without being answerable for any loss occasioned thereby. Provided always, that before any such sale, said Trust Company, as Trustee, shall give notice of the place and time of such sale by advertisement, published not less than once a week for six weeks, in a newspaper published in the City of Denison, and State of Texas, and also a newspaper published in the City of New York, but it shall be lawful for the said Trust Company, as Trustee, to adjourn the said sale from time to time, in its or their discretion, and, if so adjourning, to make the same without further notice at the time and place to which the same may be adjourned; and it shall be lawful for the said Trust Company, as Trustee, to make and deliver to every purchaser at any such sale such good and sufficient deed or deeds in the law, for the assurance and conveyance of the property purchased in fee simple or an equivalent estate, according to the nature of such property, as the said Trustee shall think fit, or the said Trust Company may, at its option, take such proceedings in any court of competent jurisdiction, for the collection of said bonds and the enforcement of this instrument, as it may be advised.

Third. The said Railway Company shall keep at its office, in the City of New York, a book to be designated a Register of Bonds, in which shall be registered the names of all holders of the bonds issued hereunder, and a book to be called Transfers of Bonds, and said bonds shall only be transferable upon the said Book of Transfer by the registered holder thereof, or by his duly authorized agent or attorney, and a new bond shall thereupon be issued by the Railway Company to the person to whom such transfer has been made upon the surrender and cancellation of the bond so transferred, and this Mortgage shall secure and inure to the benefit of the holders of the new bonds which may be issued on such transfers.

Fourth. The said Trust Company, as Trustee, shall at any time hereafter have the right to pay the said bonds, with the accrued interest thereon, to the holder thereof, and upon giving notice of its readiness to pay the same, by advertisement in a daily newspaper of good circulation, published in the City of New York, once a week for six weeks successively, all interest upon such bond shall cease.

Fifth. The said Trust Company, as Trustee, may, at its option, at the end of any one year, give notice to the holders of said bonds, by advertisement in some newspaper of good circulation, published in the City of New York, that it will receive offers for the sale of some

or all of the said bonds, and may accept so many thereof as may be offered for sale, at a rate not exceeding a premium of ten per cent., and the bonds so purchased shall be cancelled and returned to the said Railway Company.

Sixth. The said Railway Company hereby covenants that it will pay, or cause to be paid, the said bonds to be issued and secured by this Mortgage, as aforesaid, and the interest thereon quarterly, in lawful money, and also all taxes, levies and assessments imposed and assessed upon the premises, franchises and property hereby conveyed, or intended so to be, and also the United States Government tax upon the interest payable on said bonds and each of them, and that it will, at its own expense, do or cause to be done, all things necessary to preserve and keep valid the lien and incumbrance hereby created.

Seventh. The said Trust Company, Trustee, and its successors in trust, may employ, at the expense of the said Railway Company, such attorneys, counsel or other agents as may be necessary in the execution of the trust hereby created, and shall be entitled to just compensation for all services rendered in the execution of this trust, and to be reimbursed for all necessary expenditures in and about the same.

Eighth. And it is further mutually agreed and declared, that in case of the resignation or inability, for any reason, of the said Trust Company to act in the execution of the trust hereby created, then the holders of a majority in interest of the bonds may select and designate in writing one or more competent persons, or another corporation, competent to act in the place of said Trust Company, to execute said trust, and until the bondholders make such selection, the President of the said Railway Company, with the consent in writing of the owners or holders of said bonds, to the amount of fifty thousand dollars, may select and appoint one or more persons, or another corporation, competent to act, to fill the vacancy, and the person, persons, or corporation so selected shall have and possess the same rights and powers as Trustee or Trustees as he, they or it, would have had and possessed if originally a party or parties to this Indenture.

Ninth. The said Railway Company shall, from time to time, and at all times hereafter, and as often as thereunto requested by the said Trust Company, its successor or successors, execute and deliver all such further deeds, conveyances and assurances in the law for the

better assuring unto the said Trust Company, its successor or successors in the trust hereby created, upon the trusts herein expressed, the said railroad, equipments and appurtenances hereinbefore conveyed, or intended so to be, as by the said Trust Company, its successor or successors, or by its or their counsel learned in the law, shall be reasonably advised, desired or required.

Provided, however, and this conveyance is upon the express condition, that upon the payment in full of said bonds, and the interest due thereon, then the estate, title and interest hereby granted shall cease and determine, and the said Trust Company, its successor or successors in this trust, shall convey, assign, transfer, and deliver over to said Railway Company the hereinbefore conveyed railroad, with its equipments and appurtenances and property remaining in its possession, and shall duly execute and deliver to the said Railway Company a proper release and satisfaction of this Mortgage.

In witness whereof, the said Railway Company has caused its corporate seal to be hereunto affixed, and the same to be attested by the signatures of its President and Secretary; and the said Trust Company, to evidence its acceptance of the trust hereby created, has also caused its corporate seal to be hereunto affixed, and the same to be attested by the signatures of its President and Secretary, the day and year first above written.

[L. S.] W. WHITEWRIGHT, President
Denison and South Eastern Railway Co.
H. B. HENSON, Secretary
Denison and South Eastern Railway Co.

[L. S.] UNION TRUST COMPANY OF NEW YORK,
By EDWD. KING, President.
JAS. H. OGILVIE, Secretary
Union Trust Company of New York.

STATE OF NEW YORK, }
City and County of New York, } ss.

Be it remembered, that on this 18th day of April, A. D. 1878, before me, Charles Nettleton, a Commissioner of the State of Texas, in and for the State of New York, residing in the City of New York, personally appeared Edward King, the President of the Union Trust Company of New York, and James H. Ogilvie, the Secretary of the same Company, to me respectively personally known to be such,

who, being by me severally duly sworn, did depose and say, that he, the said Edward King, resided in Staten Island, in the State of New York; that he, the said James A. Ogilvie, resided in Mount Clair, in the State of New Jersey; that he, said Edward King, was the President, and he, said James H. Ogilvie, was the Secretary of the said Company; that they know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said Edward King and James H. Ogilvie, signed their names thereto, by the like order, as President and Secretary of said Company respectively; and the said Edward King and James H. Ogilvie, who are to me well known to be the individuals described in and who executed the foregoing instrument from the Denison and South Eastern Railway Company in favor of the Union Trust Company aforesaid, acknowledged to me that they executed the same for the uses, purposes and considerations therein stated, and that the same is their act and deed, and the act and deed of said Union Trust Company.

In witness whereof, I have hereunto set my hand and affixed my official seal, this 18th day of April, A. D. 1878.

CHARLES NETTLETON,
[L. S.] Commissioner for Texas in New York,
117 Broadway, New York City.

STATE OF NEW YORK.
City and County of New York.

Be it remembered, that on this 18th day of April, A. D., 1878, before me, Charles Nettleton, a Commissioner of the State of Texas, in and for the State of New York, residing in the said City of New York, personally appeared W. Whitewright, the President of the Denison and South Eastern Railway Company, and H. B. Henson, the Secretary of the same Company, to me respectively personally known to be such, who, being by me severally duly sworn, did depose and say, that he, said W. Whitewright, resided in said City of New York; that he, said H. B. Henson, resided in Brooklyn, in the State of New York; that said W. Whitewright was the President, and he, said H. B. Henson, was the Secretary of the said Company; that they know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Com-

pany, and that they, the said W. Whitewright and H. B. Henson, signed their names thereto, by the like order, as President and Secretary of said Company respectively; and the said W. Whitewright and H. B. Henson, who are to me personally known to be the individuals described in, and who executed the foregoing instrument from said Denison and South Eastern Railway Company in favor of the Union Trust Company of New York, acknowledged to me that they executed the same for the uses, purposes and considerations therein stated, and that the same is their act and deed, and the act and deed of said Company.

In witness whereof, I have hereunto set my hand and affixed my official seal this 18th day of April, A. D., 1878.

[L. S.] CHARLES NETTLETON,
Commissioner for Texas in New York,
117 Broadway, New York City.

Filed May 1st, 1878.
Recorded May 2d, 1878.

G. A. DICKERMAN, Clerk.

STATE OF TEXAS, } ss.
County of Grayson. }

I, J. P. Austin, Clerk of the County Court in and for Grayson county, Texas, certify that the above and foregoing seven pages is a true and correct copy of a Mortgage from the Denison and South Eastern Railway Company to the Union Trust Company of New York, together with the certificate of authentication and date of file and record thereof, as appears of record in my office on pages 511 to 517, inclusive, in Volume "E," of the Mortgage Records of said Grayson county.

Given under my hand and official seal, at office in the city of Sherman, on this 25th day of September, A. D., 1889.

[L. S.] J. P. AUSTIN, Clerk.

Amendment to the Act of Incorporation

OF THE

DENISON AND SOUTH EASTERN RAILWAY COMPANY,

Dated March 6th, 1880. Filed in the Department of State March 23rd, 1880.

Know all men by these presents that the Denison and South Eastern Railway Company hereby amends its charter in the following particulars:

First. The name of this corporation is hereby changed to and shall hereafter be the "Missouri, Kansas and Texas Extension Railway Company."

Second. The route of the railway of this Company is hereby amended so as to read as follows:

It is intended to construct the proposed railway from Denison, in the county of Grayson, through the county of Fannin, a distance of fifty miles, to Greenville, in the county of Hunt, and also from the said City of Denison, in the county of Grayson, through the counties of Cooke, Montague, Clay, Archer, and Jack, to Belknap, in the county of Young, a distance of one hundred and fifty miles, more or less, making the whole length of said road a distance of two hundred miles, more or less.

Third. The amount of the capital stock of this Company shall be two hundred thousand dollars.

Fourth. The capital stock of this corporation shall be divided into two thousand shares of one hundred dollars each.

In witness whereof the Denison and Southeastern Railway Company has caused these presents to be signed by its President and

Board of Directors, and attested by its Secretary under the seal of the said corporation, on this 6th day of March, A. D. 1880.

(Signed) W. WHITEWRIGHT, President,
Attest: EDWARD W. BELL, Vice-President,
H. B. HENSON, N. L. McCREADY, Director.
Secretary. WM. H. APPLETON, "
[L. S.] J. P. ROCKWELL, "
EDWARD HARDING, "
SAM HANNA, "
ALEX. W. ACHESON, "
R. C. FOSTER, "

ATTORNEY GENERAL'S OFFICE,
AUSTIN, March 28, 1880.

This is to certify that the annexed amendments to the articles of incorporation of the Denison and South Eastern Railway Company were submitted to me on this day, and after examining the same I find them to be in accordance with the provisions of the General Laws of the State of Texas as contained in the Revised Statutes of said State (Title LXXXIV. Chap. two) providing for amendments to articles of incorporation of railway companies that may be organized for the purpose of constructing railroads, maintaining and operating the same, and not in conflict with the laws of this State, or the United States.

(Signed) GEO. McCORMICK,
Attorney General of Texas.

[ENDORSED.]

Amendment to the charter of the "Denison and South Eastern Railway Company." Filed in the Department of State March 23, 1880, and recorded on pages 174 and 175 of Record of Railway Charters.

(Signed) T. H. BOWMAN,
Acting Secretary of State.

THE STATE OF TEXAS,
DEPARTMENT OF STATE.

I, Jos. W. Baines, Secretary of State of the State of Texas, do hereby certify that the foregoing is a true copy of the amended charter of the "Denison and South Eastern Railway Company," with the endorsements thereon as now appears of record in this Department.

Witness my official signature, and the seal of State affixed, at the City of Austin, this 22d day of February, A. D. 1886.

J. W. BAINES,
Secretary of State.

[SEAL.]

DENISON AND PACIFIC RAILWAY

TO

Denison and South Eastern Railway Company.

DEED

Conveying its Corporate Rights and Franchises, of date March 11, 1880.

This Indenture made the eleventh day of March, in the year of our Lord one thousand eight hundred and eighty, between the Denison and Pacific Railway, party of the first part, and the Denison and South Eastern Railway Company, party of the second part, witnesseth that the said party of the first part, for and in consideration of the sum of one dollar, lawful money of the United States of America, to it in hand paid by the said party of the second part, at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and other good and valuable considerations, has granted, bargained, sold, aliened, remised, released, conveyed and confirmed, and by these presents doth grant, bargain, sell, alien, remise, release, convey and confirm unto the said party of the second part and to its successors and assigns forever all and singular the railway which the said party of the first part was by law authorized to construct, as the same now is constructed, extending from the city of Denison, in the county of Grayson, and State of Texas, through the counties of Cook, Montague, Clay, Archer and Jack, to Belknap, in the county of Young, in said State, a distance of one hundred and fifty miles, more or less, including all the railway, way, right of way, depot grounds and other lands, all tracks, bridges, viaducts, culverts, fences and other structures, depots, station houses, engine houses, wood houses and other buildings, and all machine shops and other shops held or acquired by said party of the first part for use in con-

nection with said railway or any part thereof, or with the business of the same, and including all locomotives, locomotive tenders, cars and other rolling stock or equipments, and all machinery, tools, implements, fuel and materials for constructing, operating, repairing or replacing the said railway or any part thereof, or any of the equipments or appurtenances of the said railway or any part thereof, and including also all revenues, freights, tolls, sums of money and income arising, or to arise from the said railway, or the premises herein before expressed to be conveyed, *or any of them*, and also all corporate and other franchises, rights and privileges connected with or relating to said railway or to the construction, maintenance or use of the said railway or otherwise belonging to said party of the first part, together with all and singular the tenements, hereditaments, rights, liberties, privileges, easements and appurtenances to the said railway, lands, and premises heretofore expressed to be conveyed, or any of them, belonging, or in any way appertaining, or at any time held or enjoyed therewith, and the reversion and reversions, remainder and remainders, tolls, incomes, revenues, rents, issues and profits thereof, and also all the estate, right, title and interest, property, possession, claim and demand whatsoever, as well at law as in equity, of the said party of the first part, of, in and to the same, and any and every part thereof, with the appurtenances, to have and to hold all and singular the above mentioned and described premises, together with the appurtenances, unto the said party of the second part, its successors or assigns, forever.

In witness whereof the said Denison and Pacific Railway has caused these presents to be signed by its President *pro tem.*, and its official seal to be hereunto affixed the day and year first above written.

DENISON AND PACIFIC RAILWAY,

[L. S.] By HEZRON A. JOHNSON, President *Pro tem.*

STATE OF NEW YORK, }
City and County of New York. } SS.

Be it remembered, that on this 13th day of March, A. D., 1880, before me, Charles Edgar Mills, a Commissioner of the State of Texas, for the State of New York, residing in said City of New York, personally appeared Hezron A. Johnson, the President *pro tem.* of the Denison and Pacific Railway, a Company, to me personally known to be such, who, being by me duly sworn, did depose and say that he

resided in New York City, New York; that he was the President *pro tem.* of the said Company; that he knows the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that he signed his name thereto by the like order, as the President *pro tem.* of said Denison and Pacific Railway; and the said Hezron A. Johnson, being personally known to me to be the person whose name is subscribed to the foregoing instrument as President, who thereupon acknowledged to me that he had executed the same as the act and deed of said Railway Company for the purposes and considerations therein expressed.

In witness whereof I have hereunto set my hand and affixed my seal this 13th day of March, A. D., 1880.

[L. S.] CHARLES EDGAR MILLS,
Commissioner for Texas in New York, 117 Broadway, N. Y. City.

Filed March 18th, 1880, at 1.40 o'clock p. m.
Recorded March 18th, 1880.

G. A. DICKERMAN, Clerk.

STATE OF TEXAS, }
Grayson County. }

I, J. P. Austin, Clerk of the County Court in and for Grayson county, Texas, do hereby certify that the above and foregoing is a true and correct copy of a deed from the Denison and Pacific Railway Company to the Denison and South Eastern Railway Company, together with the certificate of authentication and date of file and record thereof as appears of record in my office on pages 129 and 130, in Volume 46, of Deed Records of said Grayson county.

Given under my hand and official seal, at office, in the city of Sherman, Texas, on this 25th day of September, A. D., 1889.

J. P. AUSTIN, Clerk.

Missouri, Kansas and Texas Extension Railway Company

TO

UNION TRUST COMPANY OF NEW YORK.

MORTGAGE

To Secure Two Thousand Bonds of One Thousand Dollars each, of date June 1st, 1880.

THIS INDENTURE, of the date the first day of June, one thousand eight hundred and eighty, between the MISSOURI, KANSAS AND TEXAS EXTENSION RAILWAY COMPANY, a corporation duly organized and existing under the laws of the State of Texas, party of the first part, and the UNION TRUST COMPANY, of New York, a corporation duly organized and existing under the laws of the State of New York, party of the second part.

WHEREAS, The party of the first part is a railroad company duly organized in and pursuant to the laws of the State of Texas, and is the owner of certain railroad property in the said State;

AND WHEREAS, The party of the second part is Mortgagee in trust for bondholders of the Missouri, Kansas and Texas Railway Company, under several mortgages;

AND WHEREAS, under and pursuant to said mortgages, and under and pursuant to a certain agreement between the party of the second part, the said Missouri, Kansas and Texas Railway Company, and certain bondholders and creditors of the said Missouri, Kansas and Texas Railway Company, bearing date March 1st, 1876, the said party of the second part entered into and is now in the possession of the Missouri, Kansas and Texas Railway, and is operating the same;

And Whereas, A certain agreement has heretofore been made by and between certain persons, proposing to become the stockholders and bondholders of the party of the first part hereto, which said agreement was in the words and figures following, to wit:

Memorandum of plan for acquiring and extending the Denison and South Eastern and Denison and Pacific Railroads, in the interest of the bondholders of the Missouri, Kansas and Texas Railway.

Parties furnishing funds for new roads to subscribe the amounts set opposite their names and receive one bond of $1,000, and one share of $100 for each $1,000 subscribed, the bonds to be delivered to them, the stock to be placed with the Union Trust Company upon the conditions mentioned below:

Bonds to be issued for actual cost of roads, bearing ten per cent. interest, payable half yearly, secured by first Mortgage upon the roads to the Union Trust Company of New York, Trustee, and subscribed for by stockholders at ninety per cent., the interest to be payable half yearly; but if funds are insufficient to meet full interest a partial payment may be made, and if such partial payments amount to seven per cent. in any one year, there shall be no foreclosure for the balance, but it shall remain due and be paid out of first earnings of succeeding years applicable thereto, prior to any application of sinking fund.

Interest at the rate of ten per cent. per annum upon funds subscribed, to be allowed from date of actual payment, and, if deemed advisable, such interest may be treated as part of cost of construction of roads. Stock, representing one-tenth of cost of roads, to be issued to stockholders at par, and deposited with the Trust Company, with irrevocable power of attorney for transfer to itself as Trustee of the Missouri, Kansas and Texas Railway mortgagees, in certificates of one share of $100 each, each certificate numbered to correspond with a bond of $1,000. Such stock certificates shall remain in the hands of the Trustee, to be transferred as herein provided, for the benefit of the bondholders of the Missouri, Kansas and Texas Railway, unless the Trustees shall be unable to pay interest to the extent of seven per cent. per annum in any one year upon the bonds issued upon the new roads; if the total amount of interest paid in any one year shall be less than seven per cent., and said default shall continue for three months thereafter, it shall, at the expiration of such three months, be the duty of the Trustee to deliver forthwith to each bondholder, upon the presentation of his bonds for

verification, the certificates of stock corresponding in number thereto.

An agreement to be drawn up between the Trust Company and new railroad companies, whereby the roads are to be operated by the Trust Company, as Trustee in possession, as follows:

The Trust Company to have the right to charge such rates for transportation for freight and passengers as it may deem proper, but it shall not be obliged to operate the new roads at a loss. Traffic, however, to be accounted for upon the basis of the present tariff rates over the Houston and Texas Central Railroad for similar distances, fifty per cent. thereof to be allowed the Trustee for operating and maintaining the road; a rebate of thirty-five per cent. to be further credited to the accounting fund upon all increase of business over that heretofore coming to the Missouri, Kansas and Texas, over the Houston and Texas Central, the basis of comparison to be the year ending with the date of acceptance of the Denison and South Eastern, as at present, the funds so derived to be applied so far as they will admit:

First. To payment of interest, at ten per cent. per annum, upon the bonds.

Second. An amount equal to ten per cent. upon total amount of bonds to be applied in retiring the bonds at 110 per cent., such bonds to be designated by lot, provided the Trustees shall be unable, after proper advertising, to invest the amount in the bonds by purchase at a lower rate; bonds purchased are redeemed to be cancelled, and the amount of bonds secured by the Mortgage reduced to that extent; for every bond cancelled one share of stock to be transferred by the Trust Company to itself, as Trustee of the Missouri, Kansas and Texas Railway Mortgages; when all the bonds are retired and cancelled, the Trust Company to hold said stock for benefit of the Missouri, Kansas and Texas first and second mortgage bondholders, keeping alive the organization of the new railway, or cause the stock to be cancelled and the property to be deeded to the Missouri, Kansas and Texas Railway, subject to the first and second mortgages, as it may be advised will best protect and preserve the security of the Missouri, Kansas and Texas bondholders; it being the intention that the new railroad shall, when free from debt, be added to the security underlying the first and second mortgages upon the Missouri, Kansas and Texas Railway, and form a portion of that road, subject to its mortgage debt.

Third. Any balance of income, at the end of the fiscal year, over and above the amounts required to comply with articles one and two, to be credited by the general income of the Missouri, Kansas Texas Railway, and applied by the Trustee as part of the income of the main line, for the benefit of the Missouri, Kansas and Texas bondholders.

The present stock organization of the Denison and South Eastern and Denison and Pacific Roads to be availed of, in making the new arrangement, if found practicable, and advisable, otherwise a new company to be organized for the purpose of acquiring and extending both roads.

A committee of seven members, consisting of three from the new companies, one from the Board of Directors of the Missouri, Kansas and Texas Railway Company, one from the Advisory Board, and two from the Trust Company, to receive the subscription and apply the same.

First. To the purchase of the Denison and Pacific, on the best terms, not exceeding the amount of $16,000 per mile for completed road and all equipments belonging to it.

Second. To the payment of so much as may be needful to enable the Trust Company to retire the outstanding securities of the Denison and South Eastern.

Third. To the extension of the Denison and South Eastern Road, as far as the funds will permit, to Greenville and beyond to a junction with the International and Great Northern, at such point as the Committee, with the approval of the Advisory Board, and the Trust Company, may determine; and further, to the extension of the Denison and Pacific Railway; and also, of the Denison and South Eastern Railway beyond the International Railway, if found expedient and approved by the Committee, the Advisory Board and the Trust Company. The extension to be made under the supervision of the officers in charge of the Missouri, Kansas and Texas Railway, in the service of the Trustee, and not to be accepted by the Trustee without a satisfactory certificate of completion, showing that the road has been well and substantially built, and in accordance with such contracts as may be made with the approval of the Committee as hereinafter provided.

All arrangements for obtaining local aid, whether by grants of money, land or otherwise, to be under the control of the Committee,

as also to the location and general construction of the road-bed.

All contracts for work upon the extensions to be made with the new railway companies, but none shall be binding without the sanction of a majority of the members of the Committee, and the approval of Advisory Board, and of the Trustee.

The bonds may be issued, if deemed advisable, by one Company, in two classes, secured upon the Denison and Pacific, and Denison and South Eastern sections of the road, respectively. Should this plan be adopted, the sinking fund above provided shall be applied in the retirement or purchase of each class of bonds in proportion to the amount issued upon each section.

The Trustee, or its successors, in possession of the Missouri, Kansas and Texas Railway Company, shall further have the right, after the expiration of three years, of paying off the whole outstanding bonds, on either section, at a premium not exceeding fifteen per cent., if advisable so to do.

The Trustee shall be entiled to reasonable compensation for its services, and proper provisions shall be made for such expense of maintaining the corporate organization of the new company or companies, as may be required to carry into effect the plan herein contemplated.

It is understood that such changes may be made in the details of above plan as may be found expedient, provided they do not modify essentially the foregoing provisions. When finally settled, proper legal documents shall be drawn up and executed, embodying the same, in which provision also shall be made for the continuance of this agreement, in the interest of its successors in possession, without further liability on the part of the Trust Company. In the event of the Trust Company ceasing to hold and operate the Missouri, Kansas and Texas Railway, as Trustee in possession, and in case an arrangement for such continuance cannot be made satisfactory to the Trust Company, or in case default shall occur in payment of interest upon the new bonds, at the extent of seven per cent. in any one year, during its possession of the Missouri, Kansas and Texas Railway, further provision shall be made for the surrender of the new roads to their stockholders by the Trust Company, in such manner, however, as to relieve it from any liability under this agreement thereafter.

It is agreed that nothing contained in this agreement shall be construed as an extension or an alteration of the terms of the agreement of 1st of March, 1876.

The undersigned approve of the general features of the foregoing plan, and will contribute the sums set opposite their names, respectively, towards carrying it into effect.

The subscriptions to be binding when one million two hundred and fifty thousand dollars have been subscribed:

Date.	Name.	Address.	Amount.

And Whereas, Pursuant to said last mentioned agreement, a certain other contract, or agreement, bearing date January 1st, 1880, was made and entered into by and between the party of the second part, as mortgagee of the Missouri, Kansas and Texas Railway Company, in possession of the railroad and other mortgaged property of the said Missouri, Kansas and Texas Railway Company, and the party of the first part hereto, under its then corporate name of the Denison and South Eastern Railway Company, and the Missouri, Kansas and Texas Railway Company, which said last mentioned agreement is in the words and figures following, to-wit:

This agreement entered into this first day of January, A. D. 1880, between the Union Trust Company of New York, as mortgagee of the Missouri, Kansas and Texas Railway Company, in possession of the railroad and other mortgaged property of the said Missouri, Kansas Texas Railway Company, said Union Trust Company of New York being a corporation organized under the laws of the State of New York, first party, and the Denison and South Eastern Railway Company, a corporation organized under the laws of the State of Texas, second party, and the Missouri, Kansas and Texas Railway Company, a corporation organized under the laws of the State of Kansas, and possessed of certain powers and privileges under the laws of the States of Missouri and Texas, third party, witnesseth:

Whereas, The said second party is about to obtain an amendment to its charter, and thereby to change its name from the Denison and South Eastern Railway Company to that of the Missouri, Kansas and Texas Extension Railway Company, and thereby to alter and change its route from that described in its present charter, so as to include the route comprised in its present charter and also a line

and route heretofore belonging to the Denison and Pacific Railway, from Denison, extending through the counties of Cooke, Montague, Clay, Archer and Jack, to Belknap, in the county of Young, State of Texas, a distance of one hundred and fifty miles, more or less, and now partially built and operated, which said last mentioned line has been conveyed by the said Denison and Pacific Railway to the second party;

Now, THEREFORE, the said second party agrees that it will proceed to finish its railroad from Denison, in the State of Texas, to Greenville, in the county of Hunt, in said State of Texas, on or before the first day of October, 1880, so that the same shall be ready for the running of trains thereon. The said second party agrees that the said railway shall be well, substantially and thoroughly built, with iron or steel rails weighing at least fifty pounds to the yard; that the same shall be done under the supervision of the officers in charge of the Missouri, Kansas and Texas Railway in the service of the first party. It is agreed that so much of said railroad as is now completed easterly and westerly from Denison, together with all equipments and rolling stock belonging and appertaining thereto, shall be delivered by said second party to, and shall be accepted by, the said party; and when the balance of the said railroad to Greenville shall be completed, possession thereof shall be delivered to, and, provided the same is completed on or before October 1st, 1880, shall be accepted by, said first party; and provided further, that said first party shall in no case be bound to accept delivery of any road, or section or part of said road, from said second party, without a certificate by the officers in the service of the first party, that the road, or section of the road, proposed to be built has been completed in a satisfactory manner, and that the same has been well and substantially built, and in accordance with the contract for the building thereof.

It is further mutually agreed, that if at any time, and from time to time hereafter, the first and second parties shall agree, the said second party may proceed to construct and build the whole, or any portion, and from time to time further portions, of the line of railroad of said second party, as laid out and stated in the amendment to the charter thereof, as now proposed to be obtained, as laid out and stated in any amendment thereto hereafter obtained; that upon any such agreement between said first and second parties being made, the second party shall proceed to construct the road described in such agreement, and shall complete and deliver the same to the first

party, and said first party shall accept said delivery, and shall operate said road upon the terms and in the manner prescribed in this agreement, and that all the stipulations, covenants, and agreements herein contained shall apply to such road, and shall bind all the parties hereto, precisely in the same manner, and to the same extent, as if such road and the agreement in respect thereto had been specially stated and inserted herein; provided that it shall always be optional with the first party to accept any delivery of railroad that may be tendered after the time provided for its acceptance by the first party.

The first party agrees to operate any railroad delivered to and accepted by it upon the following terms:

First. The said second party shall issue to its stockholders, at par value, stock representing one tenth of the cost of the roads, and shall procure its stockholders to deposit the said stock, in certificates of one share of one hundred dollars each, with the first party, with irrevocable powers of attorney to transfer the same to itself, said first party, as Trustee of the Missouri, Kansas and Texas Railway Mortgages.

Each certificate of stock shall be numbered to correspond with a bond of said second party of one thousand dollars. Such stock shall remain in the hands of the said first party, to be transferred, as hereinafter provided, for the benefit of the bondholders of the Missouri, Kansas and Texas Railway Company, unless the said first party shall be unable to pay interest to the extent of seven per cent. per annum in any one year upon the bonds issued by the said second party.

If the total amount of interest paid in any one year upon the said bonds of the said second party shall be less than seven per cent., and such default shall continue for three months thereafter, it shall, at the expiration of such three months, be the duty of said first party to deliver forthwith to each bondholder, upon the presentation of his bonds for verification, the certificates of stock corresponding in number thereto.

Second. The classification and tariff rates for freights and passengers, of the second party, for the purposes of accounting and payment hereinafter specified, shall be the same per mile as those charged by the Houston and Texas Central Railroad Company between Sherman and Denison, and corresponding months from March, 1877, to February, 1878, inclusive. The first party, however, to have the

right to make such rates to the public, and to alter, and change the same as it may deem best.

Third. One-half the gross earnings of the railroad of the second party, and in addition thereto, thirty-five per cent. of the gross earnings of the Missouri, Kansas and Texas Railway, upon all business received from, or forwarded over the said railroad of the second party, and to receive from, or forward over the Houston and Texas Central Railway to or from Sherman, or points north thereof, less the amount of the business by the Missouri, Kansas and Texas Railway received from or delivered to the Houston and Texas Central Railroad to or from Sherman, or points north thereof, in corresponding months, from March, 1877, to February, 1878, inclusive, shall be ascertained monthly, and shall be set apart, held and retained by said first party, as Trustee, and shall be disposed of as hereinafter provided.

Fourth. From and out of the moneys so held and retained by said first party, as Trustee, the said first party shall pay interest on the cost of said railroad, as represented by bonds and scrip for fractions of bonds of said second party, issued therefor and *paraphed* by said first party, as mortgagee of the said second party, at the rate of ten per cent. per annum, said cost to be ascertained by said second party, and said first party, and stock, bonds or other securities as may be agreed to be issued by said second party therefor, and said interest to be paid by said first party to the holders of such bonds or other similar securities.

Fifth. From and out of any surplus of such moneys that at the end of any fiscal year shall remain in the hands of the first party, after payment of interest on said bonds at the rate of ten per cent. per annum, as in the last preceding paragraph expressed, the said first party shall purchase so many of the bonds as the money in its hands may be sufficient to purchase at the best price for which it can obtain the same, not exceeding one hundred and ten (110), and accrued interest; and in case said first party cannot, after proper advertisement, purchase such bonds at said price thereupon, the said first party shall designate by lot, by the numbers thereof, certain of said bonds for redemption at the price of one hundred and ten and accrued interest.

The first party shall thereupon give public notice by advertisement in a daily newspaper in the City of New York, once a week, for four weeks, of the bonds so designated for redemption, and thereupon in-

terest upon said bonds shall cease, and the same shall be paid and redeemed, by said first party, upon the presentation, at the rate aforesaid, and when redeemed the same shall be cancelled, and the amount of the bonds secured by said mortgage reduced to that extent, provided that said first party shall not in any one year apply said moneys for the purchase or redemption of more than one-tenth of the whole amount of the bonds that may have been issued by the second party, and *paraphed* by the first party; and provided further, that if, in any one year, the said moneys in the hands of the first party, shall have been insufficient, after making payments directed to be first made to the purchase, or redeem one-tenth of said bonds as above expressed, bonds, to make up said one tenth, may be purchased, or redeemed, in any succeeding year out of any moneys over and above the amount necessary to purchase, or redeem, the one-tenth of bonds for such succeeding year, it being the intention to allow of the purchase, or redemption, of one-tenth of such bonds in each year, and to apply the surplus money of any one year to supply the deficiency of any other.

Sixth. When all the bonds are retired and cancelled, the first party shall hold the stock hereinbefore referred to, of the said second party, for the benefit of the Missouri, Kansas and Texas first and second mortgage bondholders, keeping alive the organization of the said second party; or said first party may cause the stock to be cancelled, and the property of the said second party to be conveyed to the Missouri, Kansas and Texas Railway Company, subject to the first and second mortgages of said Missouri, Kansas and Texas Railway Company, as the said first party may be advised will best protect and preserve the security of the Missouri, Kansas and Texas Railway Company bondholders, it being the intention that the railroad of the said second party shall, when free from debt, be added to the security underlying the first and second mortgages upon the Missouri, Kansas and Texas Railway, and form a portion of the security for the mortgage debt of said Missouri, Kansas and Texas Railway Company.

Seventh. Any balance of income at the end of the fiscal year, whether derived from the road of the second party or that of third party, over and above the amount required to comply with articles two and three, to be recredited to the general income of the Missouri, Kansas and Texas Railway, and applied by the said first party as a part of the income of the Missouri, Kansas and Texas Railway,

for the benefit of the Missouri, Kansas and Texas Railway Company bondholders.

It is mutually agreed that the said second parties shall issue no securities, obligations, stock, scrip, or other representative of debt or capital, unless with the consent and approval of the said first party, and no security, obligation, stock, scrip, or representative of debt, or capital, shall be valid unless authenticated by said first party.

Eighth. The said first party shall not be bound to accept possession of any railroad built, or to be built, or any portion thereof, unless at the time such possession is tendered, the same shall be free from all liens and claims, except such as are represented by securities, or stock, authenticated as in the last preceding paragraph provided, or as may be collateral security therefor.

Ninth. It is further expressly understood and agreed that said first party shall in no event be bound to operate said railroad, or any part, at a loss, and in no case shall it be bound to make any payments, as hereinbefore provided, unless it shall have realized the means to do so from the operation of said road; that in case the remainder of the gross earnings of the said railroad and of the Missouri, Kansas and Texas Railway, on connecting business, as hereinbefore specified, after deducting the one-half and thirty-five per cent., as hereinbefore specified, shall be insufficient to pay the expenses of operating the said railroad, including the expenses of repairs and replacements, then the amount to be set apart and reserved by said first party shall be decreased until such operating expenses are paid, and in case the earnings so reserved shall be insufficient to pay such interest on all such securities, the payments to be made *pro rata*, said second party shall execute a mortgage or deed of trust to said first party to secure its bonds and other similar securities, to be issued to represent the cost of said road as aforesaid.

Tenth. It is further mutually agreed that the first party shall have the right at any time to purchase or pay all and singular the bonds and other similar securities to be issued by said second party upon payment of a premium of fifteen per cent., and accrued interest on the principal of said bonds; provided, however, that notice of its intention so to pay, or purchase, shall be published in a newspaper in the City of New York, once a week for four successive weeks, prior to the time of such purchase, or payment; and provided also, that no such purchase, or payment, shall be made prior to three years after the date hereof. After the date upon which said first party may give

notice that it will purchase or pay said bonds, interest upon the same shall cease.

Eleventh. The third party agrees that it hereby ratifies, approves and adopts all and singular the stipulations, agreements and covenants, hereinbefore expressed and implied. The third party further covenants and agrees with first party, and with second party, jointly, and with each of them severally, that in case of the surrender or other delivery, by said first party to said third party, of the possession of the property of said third party mortgaged to said first party, that then and in such case the said first party will also accept and take possession of all the railroad of the second party, then in the possession of the first party, and will also take possession, when completed, of any railroad of the second party, which, pursuant to any contract between first and second party, as herein provided for, may then be in process of building, and will operate said railroad of second party so taken possession of, and account for and apply gross profits thereof in the same manner, and on the same terms, that the first party would have been bound to operate, and account for, and apply gross profits thereof, according to the terms of this agreement, had first party not surrendered, or otherwise delivered to third party the said mortgaged property, said third party covenants, promises, and agrees to and with first and second parties, and to and with each of said first and second parties, and to and with the holders of the bonds and other similar securities of second party, paraphed by first party, that, in case of such surrender, or other delivery of possession to third party of the property of the third party, mortgaged to first party, it, said third party, will punctually and promptly pay the interest and principal of the bonds and other similar securities of the second party, paraphed by the first party, and this whether the receipts for that purpose, as mentioned herein, shall or shall not be sufficient therefor; and further, that it, said third party, will annually purchase or redeem one-tenth of said bonds on the terms and in the manner hereinbefore stated. It is mutually agreed that in case of such surrender, or other delivery of possession of said mortgaged property to said third party, said third party shall have the same privilege of purchase or redemption of all of said bonds, after three years from the date hereof, hereinbefore given to the first party, and it is further agreed that in case of any purchase or redemption by said third party of any or all of said bonds of said second party, said first party shall hold the stock of said second party, thereby set free, or shall cause the property of the said second party

to be conveyed in the same manner, and for the same purposes of thereby obtaining better and further security for the bondholders of the third party, secured by the first and second mortgages to first party, according to their respective priority, as if said first party had remained in possession of the mortgaged property of said third party. It is further mutually understood and agreed, that in case of such surrender and delivery of said mortgaged property by said first party to said third party, said first party shall be, and hereby is, released from all duty, obligation and liability hereunder, either to said second or third party.

Twelfth. It is mutually agreed that the first party is entitled to, and shall receive just compensation for all services rendered in respect to the matters herein mentioned.

Thirteenth. It is further understood that this agreement is to take effect on and after the date thereof, and that all business done, and transactions carried out between the day of the date, and of the execution of this agreement, shall be considered as having been done and transacted under and pursuant to the provisions hereof.

In witness whereof, the said first, second and third parties have respectively caused these presents to be signed by their respective presidents, and their respective corporate seals to be hereto respectively attached, the day and year first above written.

And Whereas, Pursuant to the foregoing agreements, the party of the first part has amended its charter and changed its name, and is about to issue its *certain two thousand bonds*, of the denomination of *one thousand dollars each*, being in the aggregate for the sum of *two million dollars*, bearing date on said first day of June, one thousand eight hundred and eighty, and payable on the first day of June, one thousand nine hundred, in *gold coin* of the United States of America, with interest at the rate of ten per cent. per annum, payable semi-annually in like gold coin, each of which said bonds is in the words and figures following, subject only to necessary variations as to the distinguishing number:

United States of America.

State of Texas.

first mortgage 10 per cent. gold bond.

No..... $1,000.

Know all men by these presents, that the Missouri, Kansas and

Texas Extension Railway Company is indebted to the Union Trust Company of New York, or bearer, in the sum of *one thousand dollars, in gold coin,* of the United States, which the said Railway Company promises to pay to the bearer hereof, on the first day of June, in the year 1900, in the City of New York, with interest thereon from the date hereof at the rate of ten per cent. per annum, payable in gold coin aforesaid, semi-annually, at its office, or agency, in the City of New York, on the first day of June and December in each year upon presentation and surrender of coupons hereto attached, as they severally become due as provided therein.

This bond is one of a series numbered consecutively from one to two thousand dollars, both inclusive, each for the sum of one thousand dollars, amounting in the aggregate to the sum of two million of dollars, all which are of like tenor, date and effect, and all equally secured by a trust deed, or mortgage, dated the first day of June, in the year 1880, duly executed and delivered by the said Railway Company, and recorded in the proper offices in the State of Texas, and conveying to the Union Trust Company of New York, in trust, the corporate property, real and personal, of the Missouri, Kansas and Texas Extension Railway Company therein described, and all its franchises and privileges appertaining thereto, as more fully set forth in said trust deed, or mortgage. This bond is entitled to the benefit and subject to the provisions of said trust deed respecting a sinking fund, whereby the principal of this bond may be paid, or purchased, before maturity, at a premium of ten per cent., and is subject to further provisions in said deed whereby the same may be paid, or purchased, at any time after three years from date, at a premium of fifteen per cent. If the Railway Company shall be unable to meet the full interest on this bond, a partial payment may be made, and if such partial payment amounts to seven per cent. in any one year, there shall be no foreclosure for the balance, but it shall remain due and be paid out of the first earnings of succeeding years, applicable thereto prior to any application of money for the benefit of a sinking fund for the redemption or purchase of said bonds. In case said Railway Company shall fail to pay interest at the rate of seven per cent. per annum, at any time when the same shall become due, then the mortgage to secure the same may be foreclosed, according to the provisions and stipulations therein contained. In case of the further extension of the railway of said Railway Company, the numbers of bonds secured by said mortgage may

be increased, the extended railway being made subject to said mortgage as in said trust deed provided.

This bond shall not be obligatory until it shall have been authenticated by a certificate endored thereon, duly executed by the Trustee aforesaid, to the effect that the same is one of the series secured by said Mortgage or Trust Deed.

In witness whereof, the said Missouri, Kansas and Texas Extension Railway Company has caused these presents to be executed by its President and Secretary, and its corporate seal to be hereto affixed, the first day of June, 1880.

....., President.

....., Secretary.

Now, therefore, this Indenture witnesseth: The party of the first part, for and in consideration of the premises, and of the sum of one dollar to it duly paid by the party of the second part, and in order to secure the payment of the principal and interest of the said bonds, according to the tenor thereof, hath granted, bargained, sold, assigned, transferred and conveyed, and by these presents doth grant, bargain, sell, assign, transfer and convey unto the said party of the second part, its successor or successors in the trust hereby created, and assigns all and singular the railroad of the party of the first part, extending from the City of Denison, in the county of Grayson, in the State of Texas, through the county of Fannin, to Greenville, in the county of Hunt, being a distance of fifty miles, more or less.

Also the railroad of the party of the first part extending from the said City of Denison, southwesterly, through the counties of Cooke, Montague, Clay, Archer, and Jack, to Belknap, in the county of Young, in said State, a distance of one hundred and fifty miles, more or less, including all the railway constructed, or to be hereafter constructed, right of way, depot grounds, and other lands, tracks, bridges, viaducts, culverts, fences and other structures, depots, station-houses, engine-houses, wood-houses, and other buildings, and all machine shops and other shops, held or acquired, or hereafter to be acquired, by the party of the first part, its successors or assigns, for use in connection with said railway, or any part thereof, or with the business of the same, and including also all locomotives, tenders, cars, and all other rolling stock or equipments, and all machinery, tools, implements, fuel, and material for constructing, operating, repairing and replacing said railways, or any part thereof, or any of the equipments or appurtenances of the said railway, or any part

thereof, and including also all revenue, freights, tools, sums of money, and income arising, or to arise, from the said railway on the premises hereinbefore expressed to be conveyed, or any of them, *and also,* all corporate or other franchises, rights and privileges connected with, or related to the said railway, or to the construction, maintenance, or use of the same, together with all and singular the tenements, hereditaments, rights, liberties, privileges, easements and appurtenances to the said railway, lands or premises, hereinbefore expressed to be conveyed, or any of them belonging, or in any way appertaining, or *in any way* held or enjoyed therewith, or which may hereafter be held or enjoyed therewith, and the reversion or reversions, remainder and remainders, tools, incomes, revenues, issues and profits thereof, to have and to hold all and singular the above mentioned and described premises, rights, franchises, railroads, and real and personal property, unto the said party of the second part, its successor or successors, and assigns in trust, and for the uses and intents, and purposes hereinafter expressed and declared, of and concerning the same, that is to say:

First. No one of said bonds shall be deemed issued, or be valid, or secured by this mortgage until the same shall have been authenticated by a certificate to be endorsed thereon, duly executed by the party of the second part, to the effect that the same is one of the series secured by this mortgage.

Second. It is further mutually agreed and understood that for sums of less than one thousand dollars the said party of the first part may issue fractional scrip of the following form:

The Missouri, Kansas and Texas Extension Railway Company has received of ..... the sum of ....., which said sum the said Company promises to pay to the bearer hereof, on the first day of June, A. D. 1900. This scrip, together with other similar scrip, is convertible into the first mortgage ten per cent. bonds of said Company, at any time prior to the maturity thereof, when presented in sums of not less than one thousand dollars. In case of presentation of amounts having fractions over even thousands of dollars new similar scrip shall be issued for the fractions. At the time of presentation for conversion the said Company will either pay to the bearer, in cash, interest on the amount of said scrip, at the rate of ten per cent. per annum from the date thereof, or include such interest in the amount of said first mortgage bonds, into which said scrip is convertible, at the option of said Company. Interest on said

scrip will be paid only when convertible, and when converted into said first mortgage bonds. This scrip shall not be issued or be valid for any purpose, until a certificate of the Trustee of said first mortgage is endorsed thereon, to the effect that the same is one of the scrip certificates issued under and secured by said mortgage. When such certificate is so endorsed this scrip shall be valid, and entitled to all the security of said mortgage.

Witness the seal of the Missouri, Kansas and Texas Extension Railway Company, and the signature of its President, this .... day of ..... 18..

Provided, however, that in no case shall the total amount of bonds and scrip issued exceed the said sum of two millions of dollars.

Third. It is further mutually agreed by and between the parties hereto that, if the party of the first part shall hereafter under any right or franchise now owned by it, or hereafter acquired, further extend its road, or construct any other railroad or railroads, connecting with the road hereby conveyed, or become the owner of any other railroad already constructed connecting with the road hereby conveyed, then for every such extension and every such railroad constructed, or to be constructed, a further issue of bonds may be made hereunder by the party of the first part, the aggregate amount of which shall not exceed the actual cost of such road or roads at the time when the same shall be constructed, or acquired, and shall in *no* event exceed the sum of *twenty thousand dollars* for every mile of such road; such bonds to be issued in the same proportion, and upon the same conditions, as herein provided for the said *two thousand bonds.*

All such bonds shall be of the same tenor hereinbefore set forth, subject only to necessary variation as to the distinguishing number and the date thereof, and shall bear numbers running from the number of the last bond *theretofore* issued under this mortgage, and shall be entitled to the privileges, and subject to the burdens of the said two thousand bonds hereinbore referred to.

And the said party of the first part hereby agrees to execute and deliver to the party of the second part, its successors and assigns, upon every such further issue of bonds, any further reasonable and necessary trust deed, or mortgage to, being in and subject to the conditions of these presents, every such extended or further acquired road, and every other land or property, real or personal, that may hereafter be acquired by it for the purpose, and with the intent of

securing the payment of the said bonds composing every such increased issue, as well as the bonds hereinabove described, equally and alike upon the property of the said party of the first, with the interest due, and to grow due thereon, in the same manner as if all such bonds had been originally secured by one and the same trust deed, or mortgage. *Provided, however*, That if any railroad, or railroads, which may hereafter be acquired by the party of the first part, shall, at the time of such acquisition be subject to the lien of any trust deed, or mortgage, theretofore made to secure bonds then outstanding, no more bonds shall be issued hereunder on such railroad, or railroads, than such an amount as shall, together with such outstanding bonds, be equal to the rate per mile hereinbefore mentioned, but bonds may be issued hereunder on any such railroad, or railroads, in exchange for an equal amount of such outstanding bonds, but to no greater amount than if issued for cash.

Fourth. The party of the first part hereby further agrees that it will pay, or caused to be paid, the bonds herein mentioned, and the interest thereon, according to the terms thereof, and all taxes, levies and assessments imposed and assessed, or which may hereafter be imposed and assessed, upon the premises, franchises and property hereby conveyed, or intended so to be, and will, at its own cost and expense, do or cause to be done, all things necessary to preserve and keep valid and intact the lien or incumbrance hereby created.

Fifth. It is further mutually agreed between the parties hereto, that any surplus income of any year, of the party of the first part, after paying the said interest on the said bonds up to the amount of ten per cent. upon the total amount of said bonds, shall be applied to retire the said bonds at the rate of not exceeding one hundred and ten per cent. The bonds so to be retired shall be purchased by the party of the second part whnever put in funds for such purposes at the lowest rate at which it can obtain the same after proper advertisement, not, however, exceedidg one hundred and ten per cent., and in case said bonds cannot be obtained at a rate not exceeding one hundred and ten per cent., then the party of the second part shall designate, by lot, certain of said bonds, which shall thereupon be retired at the rate of one hundred and ten.

The bonds so designated shall, after four weeks from the time they are so designated, cease to draw interest.

It is further understood and agreed that the party of the first part shall have the right, at any time after three years from the date here-

of, to redeem and pay off the whole outstanding bonds at a premium of fifteen per cent.

It is further agreed that the second party shall surrender to the first party the possession of said property held under the above recited agreements on the happening of the contingencies, or any of them, upon which, as by said agreements, possession was to be surrendered.

Sixth. In case default shall be made in the payment of any interest upon either of said bonds when the same shall become due and payable after the party of the second part shall have ceased to possess and operate the said railroad, as provided in any of the aforementioned agreements, it shall be lawful for the party of the second part, its successors and assigns, to enter upon all and singular the railroads, property and premises hereby conveyed, or intended to be conveyed, and to have, hold, use and operate the same until the same shall have been sold or otherwise disposed of, in pursuance of the power hereinafter mentioned, or by virtue of the decree of some court of competent jurisdiction, and until such time, and from time to time, to make all needful repairs and replacements, and such useful alterations, additions and improvements to said railroad as may be necessary for the proper working of the same, and to receive the tools, freight, income, rents, issues and profits thereof, and after deducting the expenses of operating and managing the said railroads and other property, and of such repairs, replacements, additions and improvements, as well as just compensation for its own services and disbursements, to apply the money accruing as aforesaid to the payment of the said bonds *pro rata*, and without discrimination or preference, and thereafter to pay over any surplus to the said party of the first part, its successors or assigns, or as any court of competent jurisdiction shall order, and to restore the said railroad and other property to the said party of the first part.

Seventh. In case default shall be so made after the party of the second part shall have ceased to possess and operate the said railroad, as provided in any of the aforementioned agreements, the party of the second part, its successors and assigns, may also foreclose this mortgage by legal proceedings, or sell, or cause to be sold, the said railroads, franchises and property, real and personal, hereby conveyed, or intended so to be, and all benefit and equity of redemption of the party of the first part, in and to the same, and every part thereof, with the benefit of the franchises aforesaid, which said last men-

tioned sale, other than a judicial sale, shall be at public auction in the City of New York, or the City of Austin, in the State of Texas, on a previous notice of the time and place of such sale by advertisement, published not less than once a week for six weeks, in at least two newspapers of general circulation, published, one in the City of New York, and one in the State of Texas, together with such other notice as may be required by law in the State of Texas; and in such case said party of the second part, and its successors and assigns in this trust, shall make and deliver to the purchasers of said premises good and sufficient deeds of conveyance for the same in fee simple, and the said sale and conveyance shall be a perpetual bar, both in law and equity, against the party of the first part, its successors and assigns, and all other persons claiming by, through, or under them, of all right, title, interest, or claim in or to said railroads, premises and property, and every part and parcel thereof; and in case of any sale of said premises under, pursuant to, or because of this Mortgage, the party of the second part, its successors and assigns, may bid for and purchase said property, real and personal, or any part thereof, in behalf of the holders of the said bonds. In case of such sale, the party of the second part shall deduct from the proceeds of such sale its just allowance of the expenses thereof, including attorneys' and counsel fees and all expenses which may have been incurred in operating, managing, or maintaining the said railroad, or in managing the business thereof, as well as a just compensation for its own services, and thereafter shall apply so much of the said proceeds as shall be necessary, to the payment of the principal and interest of the said bonds then remaining unpaid, *pro rata*, without discrimination or preference, and any surplus remaining after such payment shall be paid over to the party of the first part, or as any court of competent jurisdiction shall order.

It is further hereby declared that the receipts of the party of the second part shall be a sufficient discharge to the purchaser or purchasers of the premises hereby mortgaged, and that any purchaser or purchasers having such receipts, shall not, after the payment thereof, be bound to see the application of said purchase money, or any part thereof; provided, however, and it is hereby understood and agreed, that no entry under a foreclosure of the said mortgage, either by judicial proceedings, or otherwise, shall be made or had, so long as the party of the first part shall pay interest upon the said bonds, at the rate of seven per cent. per annum, it being, however, understood that, in case of payment only of seven per cent. per annum,

the difference between said seven per cent. and ten per cent. shall be and remain a lien secured by these presents, and shall be paid out of the income of the said Railway Company in future, before the application of any income to the purchase, or redemption, of the principal of any of the said bonds.

Eighth. The party of the first part shall, from time to time, and at all times hereafter, and as often as thereto requested by the party of the second part, its successors or assigns, execute, acknowledge, and deliver, all such further deeds, conveyances, and assurances in law, for the better assuring unto the party of the second part, its successor or successors in the trust hereby created, upon the trust herein expressed, the lands, railroads, equipments and appurtenances hereinbefore conveyed, or intended so to be, and all other property or things whatsoever which may hereafter be acquired for use in connection with the same, or any part thereof, and all franchises now held, including the franchise to be a corporation, as the party of the second part, its successors and assigns, by the their counsel shall be reasonably advised, devised, or required.

Ninth. The party of the second part shall have further power in its discretion, and upon the written request of the party of the first part, to convey by way of release, or otherwise, to the person designated by the party of the first part, any land acquired or held for the purpose of stations, depots, shops, or other buildings, for the use connected therewith, and also any other lands which in the judgment of the party of the second part, and its successors, shall not be necessary for use in connection with the said railroad, or which may have been held for a supply of fuel, gravel, or other material; and also to convey, as aforesaid, any lands which may become disused by reason of a change in the location of any station-house, depot, shop, or other building connected with the said railway, and such lands occupied by the tracts and adjacent to said station-house, depot, shop, or other building, as the said party of the first part may deem it expedient to disuse or abandon, by reason of such change, or consent to any such change, and to such other changes in location of the tract, as in their judgment shall have become expedient, and to make and deliver conveyances necessary to carry the same into effect, but any lands which may be acquired by the party of the first part for permanent use in substitution for any so released, shall be conveyed to the party of the second part upon the trust of these presents, and the party of the second part shall also have full power

to allow the said party of the first part from time to time to dispose of, according to their discretion, such portion of the equipment, machinery, and implements, at any time held or acquired for the use of said railway, as may have become unfit for such use, replacing the same by new, which shall be conveyed to the party of the second part, or otherwise made subject to the operations of these presents.

Tenth. The party of the second part shall be entitled to compensation for all services rendered in the execution of this trust.

Eleventh. Provided always, and this grant and conveyance is upon the express condition, that upon the payment in full of the said bonds, and the interest due thereon, then the estate, title, and interest hereby granted and conveyed shall cease, determine and be void.

IN WITNESS WHEREOF, the said party of the first part has caused its corporate seal to be hereto affixed, and the same to be attested by the signatures of its President and Secretary, and the said party of the second part, to evidence its acceptance of this trust, hereby granted, has also caused its corporate seal to be hereto affixed, and the same to be attested by the signature of its President, the day and year first above written.

N. L. McCREADY, President
[L. S.] Missouri, Kansas and Texas Extension Railway Co.

UNION TRUST COMPANY OF NEW YORK,
[L. S.] By EDWD. KING, President.

H. B. HENSON, Secretary
[L. S.] Missouri, Kansas and Texas Extension Railway Co.

[The words "three" in 22nd line, and "months" in 23rd line, of page 31 erased, and the words "four" in 22nd line, and "weeks" in 23rd line, interlined in lieu thereof before signed.]

STATE OF NEW YORK, }
City and County of New York, } ss.

Be it remembered, that on this 19th day of June, A. D. 1880, before me, Charles Edgar Mills, a Commissioner of the State of Texas, in and for the State of New York, residing in the said City of New York, personally appeared N. L. McCready, the President of the Missouri, Kansas and Texas Extension Railway Company, and H. B. Henson, the Secretary of the same Company, to me respectively per-

sonally known to be such, who, being by me severally duly sworn, did depose and say, that he, said N. L. McCready, resided in the said City and State of New York; that he, said H. B. Henson, resided in the City of Brooklyn, State of New York; that the said N. L. McCready was the President, and he, said H. B. Henson, was the Secretary of the said Company; that they know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said N. L. McCready and H. B. Henson, signed their names thereto, by the like order, as President and Secretary of said Company respectively; and the said N. L. McCready, President, and H. B. Henson, Secretary, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary, who acknowledged to me that they each respectively had executed the same, as the free act and deed of said Company, for the uses, purposes, and considerations therein expressed.

In witness whereof, I have hereunto set my hand and affixed my official seal this 19th day of June, A. D., 1880.

[L. S.]

CHARLES EDGAR MILLS,
Commissioner for Texas in New York,
117 Broadway, New York City.

STATE OF NEW YORK,
City and County of New York, } ss.

Be it remembered, that on this 19th day of June, A. D. 1880, before me, Charles Edgar Mills, a Commissioner of the State of Texas, for the State of New York, residing in said City of New York, personally appeared Edward King, the President of the Union Trust Company of New York, to me personally known to be such, who, being by me duly sworn, did depose and say, that he resided in Richmond county, New York; that he was the President of the said Company; that he knows the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Trustees of said Company, and that he signed his name thereto, by the like order, as the President of said the Union Trust Company of New York; and the said Edward King, personally known to me to be the same person whose name is subscribed to the foregoing instrument, and acknowledged to me that he had executed the same as the free

act and deed of said Company, for the uses, purposes and considerations therein expressed.

In witness whereof, I have hereunto set my hand and affixed my official seal, this 19th day of June, A. D. 1880.

CHARLES EDGAR MILLS,
Commissioner for Texas in New York,
117 Broadway, New York City.

[L. s.]

Filed June 24th, 1880, at 5 p. m.
Recorded June 26th, 1880.

G. A. DICKERMAN, Clerk.

STATE OF TEXAS, }
County of Grayson. }

I, J. P. Austin, Clerk of the County Court in and for said State and county, do hereby certify that the above and foregoing fifteen and one-half (15½) pages is a true and correct copy of a Mortgage from N. L. McCready, President of the Missouri, Kansas and Texas Extension Railway Company, to the Union Trust Company of New York, together with the certificates of authentication and the date of filing and record thereof, as appears of record in my office, in Book "G," on pages 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104 and 105, of the Mortgage Records of Grayson county, Texas.

Given under my hand and official seal, at office in the city of Sherman, Texas, this the 26th day of September, A. D., 1889.

[L. s.]

J. P. AUSTIN,
Clerk of the County Court in and for Grayson county, Texas.

UNION TRUST COMPANY OF NEW YORK

TO

MISSOURI, KANSAS AND TEXAS EXTENSION RAILWAY COMPANY.

Release of Mortgage

Of date June 1st, 1880.

STATE OF NEW YORK, }
City and County of New York, } ss.

Union Trust Company of New York hereby certifies that a certain Indenture of Mortgage, bearing date the first day of June, in the year one thousand eight hundred and eighty, made and executed by the Missouri, Kansas and Texas Extension Railway Company to said Union Trust Company of New York, as Trustee, to secure the payment of its two thousand bonds, of the denomination of one thousand dollars each, on its railroad extending from the city of Denison, county of Grayson, State of Texas, through the county of Fannin to Greenville, in Hunt county, in said State, and from said city of Denison, through the counties of Cook, Montague, Clay, Archer and Jack, to Belknap, in the county of Young, in said State of Texas, and other property of said Railroad Company, and recorded in the several offices of the several clerks of the said several counties, respectively, is paid, and hereby consents that the same be discharged of record.

Dated the 26th day or November, 1881.

UNION TRUST COMPANY OF NEW YORK,
[L. S.] By EDW. KING, President.

STATE OF NEW YORK, }
City and County of New York, } ss.

On the 26th day of November, one thousand and eight hundred and eighty-one, before me personally came and appeared Edward King, President of the Union Trust Company of New York, who, being by me duly sworn, deposes and says that he resides at New York City, New York county, New York, and is President of the Union Trust Company of New York; that he knows the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal, and that he affixed the same, and signed the said instrument as President by virtue of the authority and direction of the Board of Trustees of said Trust Company, said instrument bearing date November 26th, 1881.

And the said Edward King, as such President above mentioned, further acknowledged to me that he had executed the said instrument, to be his free and voluntary act and deed, and to be the free and voluntary act and deed of said Company, for the uses and purposes therein expressed.

In witness whereof, I have hereunto set my hand and affixed my official seal this 26th day of November, A. D., 1881.

CHARLES EDGAR MILLS,
[L. S.] Commissioner for Texas in New York,
117 Broadway, New York City.

Filed December 12th, 1881, at 9 o'clock a. m.
Recorded December 14th, 1881.

G. A. DICKERMAN, Clerk.

STATE OF TEXAS, }
County of Grayson. }

I, J. P. Austin, Clerk of the County Court in and for said State and county, do hereby certify that the above and foregoing is a true and correct copy of the release from the Union Trust Company of New York, by Edward King, President, to the Missouri, Kansas and Texas Extension Railway Company, with its certificate of authentication and the date of filing and record thereof, as appears of record in my office, in Vol. "G," page 472, of the Mortgage Records of Grayson county, Texas.

In witness whereof, I hereunto set my hand and affix the seal of my office, at office in the city of Sherman, Texas, this the 26th day of September, A. D. 1889.

[L. S.] J. P. AUSTIN,
Clerk of the County Court in and for Grayson county, Texas.

UNION TRUST COMPANY OF NEW YORK

AND

Missouri, Kansas and Texas Extension Railway Company

TO

THE MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY.

DEED

Conveying the Corporate Franchises and Property of the Missouri, Kansas and Texas Extension Railway Company.

THIS INDENTURE, made this 26th day of November, 1881, between the UNION TRUST COMPANY, of New York, party of the first part, the MISSOURI, KANSAS AND TEXAS EXTENSION RAILWAY COMPANY, party of the second part, and the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, party of the third part, witnesseth:

WHEREAS, The party of the third part, being a railway corporation existing under the laws of Kansas, heretofore by mortgage deed, bearing date the first day of February, 1871, mortgaged its property to the party of the first part to secure certain bonds of the party of the third part, and, pursuant to the provisions of said mortgage, said party of the third part subsequently executed to said party of the first part three additional mortgages to secure certain additional bonds, all said bonds are mortgages being on an equality, and said bonds being by said mortgages equally secured, and said mortgages are properly recorded in the States of Missouri, Kansas and Texas;

And Whereas, Subsequently, for default in the conditions of said bonds and mortgages, said party of the first part, with the consent of said party of the third part, took possession of the property of said party of the third part, described in the first of the mortgages hereinbefore mentioned;

And Whereas, Subsequently, a Railway Company, known as the Denison and South Eastern Railway Company, was organized;

And Whereas, Another Railway Company, known as the Denison and Pacific Railway, was organized;

And Whereas, Subsequently, the name of the Denison and South Eastern Railway Company was changed to that of the Missouri, Kansas and Texas Extension Railway Company, and it is the party of the second part hereto;

And Whereas, The said Denison and South Eastern Railway Company and the said Denison and Pacific Railway Company were consolidated, so far as legally could be, and the Denison and Pacific Railway Company conveyed its property to the Denison and South Eastern Railway Company, and bonds secured by mortgage to the party of the first part, executed by the Missouri, Kansas and Texas Extension Railway Company, were sold to many persons;

And Whereas, The securities issued by the Denison and Pacific Railway Company, and the Denison and South Eastern Railway Company, were assigned to the party of the first part as additional security for the bonds issued by the Missouri, Kansas and Texas Extension Railway Company;

And Whereas, In January, 1880, an agreement was made between the several corporations, between whom it purports to be made, in words and figures following:

This agreement, entered into this first day of January, A. D. 1880, between the Union Trust Company of New York, as Mortgagee of the Missouri, Kansas and Texas Railway Company, in possession of the railroad and other mortgaged property of the said Missouri, Kansas and Texas Railway Company, said Union Trust Company of New York being a corporation organized under the laws of New York, first party, and the Denison and South Eastern Railway Company, a corporation organized under the laws of the State of Texas, second party, and the Missouri, Kansas and Texas Railway Company, a corporation organized under the laws of the State of Kansas,

and possessed of certain powers and privileges under the laws of the States of Missouri and Texas, third party, witnesseth:

WHEREAS, The said second party is about to obtain an amendment to its charter, and thereby to change its name from the Denison and South Eastern Railway Company to that of the Missouri, Kansas and Texas Extension Railway Company, and thereby so alter and change its route from that described in its present charter so as to include the route comprised in its present charter, and also a line and route heretofore belonging to the Denison and Pacific Railway, from Denison, extending through the counties of Cooke, Montague, Clay, Archer, and Jack, to Belknap, in the county of Young, State of Texas, a distance of one hundred and fifty miles, more or less, and now partially built and operated, which said last mentioned line has been conveyed by the said Denison and Pacific Railway to the second party;

NOW, THEREFORE, the said second party agrees that it will proceed to finish its railroad from Denison, in the State of Texas, to Greenville, in the county of Hunt, in the State of Texas, on or before the first day of October, 1880, so that the same shall be ready for the running of trains thereon. The said second party agrees that the said railway shall be well, substantially and thoroughly built, with iron or steel rails, weighing at least fifty pounds to the yard; that the same shall be done under the supervision of the officers in charge of the Missouri, Kansas and Texas Railway, in the service of the first party. It is agreed that so much of said railroad as is now completed easterly and westerly from Denison, together with all equipments and rolling stock belonging and appertaining thereto, shall be delivered by said second party to and shall be accepted by the said first party, and when the balance of the said railroad to Greenville shall be completed, possession thereof shall be delivered to, and provided the same is completed on or before October first, 1880, shall be accepted by said first party; and provided further, that the said first party shall in no case be bound to accept delivery of any road or section, or part of said road, from said second party, without a certificate by the officers in the service of the first party, that the road, or section of the road, proposed to be built has been completed in a satisfactory manner, and that the same has been well and substantially built, and in accordance with the contract for the building thereof. It is further mutually agreed that if at any time, and from time to time hereafter, the first and second parties shall agree,

the said second party may proceed to construct and build the whole or any portion, and from time to time further portions of the line of railroad of said second party, as laid out and stated in the amendment to the charter thereof as now proposed to be obtained, or as laid out and stated in any amendment thereto hereafter obtained; that upon any such agreement between said first and second parties being made, the second party shall proceed to construct the road described in such agreement, and shall complete and deliver the same to the first party, and said first party shall accept said delivery, and shall operate said road upon the terms and in the manner prescribed in this agreement, and that all the stipulations, covenants and agreements herein contained shall apply to such road, and shall bind all the parties hereto precisely in the same manner, and to the same extent, as if such road, and the agreement in respect thereto, had been specially stated and inserted therein; provided, that it shall always be optional with the first party to accept any delivery of railroad that may be tendered after the time provided for its acceptance by the first party. The first party agrees to operate any railroad delivered to and accepted by it upon the following terms:

First. The said second party shall issue to its stockholders, at par value, stock representing one-tenth of the cost of the roads, and shall procure its said stockholders to deposit the said stock, in certificates of one share of one hundred dollars each, with the first party, with irrevocable powers of attorney to transfer the same to itself, said first party, as Trustee of the Missouri, Kansas and Texas Railway Mortgages, each certificate of stock shall be numbered to correspond with a bond of said second party of one thousand dollars; such stock shall remain in the hands of said first party, to be transferred as hereafter provided, for the benefit of the bondholders of the Missouri, Kansas and Texas Railway Company, unless the said first party shall be unable to pay interest to the extent of seven per cent. per annum in any one year upon the bonds issued by the said second party. If the total amount of interest paid in any one year upon the said bonds of the said second party shall be less than seven per cent. and such default shall continue for three months thereafter, it shall, at the expiration of such three months, be the duty of said first party to deliver forthwith to each bondholder, upon the presentation of his bonds for verification the certificates of stock corresponding in number thereto.

Second. The classification and tariff rates for freight and passen-

gers of the second party, for the purpose of accounting and payment herinafter specified, shall be the same per mile as those charged by the Houston and Texas Central Railway Company between Denison and Sherman in corresponding months from March, 1877, to February, 1878, inclusive, the first party, however, to have the right to make such rates to the public and to alter and change the same as it may deem best.

Third. One half of the gross earnings of the railroad of the second party, and in addition thereto thirty-five per cent. of the gross earnings of the Missouri, Kansas and Texas Railway upon all business received from, or forwarded over the said railroad of the second party, and received from or forwarded over the Houston and Texas Central Railway to and from Sherman, or points north thereof, less the amount of the business by the Missouri, Kansas and Texas Railway received from, or delivered to the Houston and Texas Central Railway to or from Sherman, or points north thereof, in corresponding months from March, 1877, to February, 1878, inclusive, shall be ascertained monthly, and shall be set apart, held and retained by said first party, as Trustee, and shall be disposed of as shall be hereinafter provided.

Fourth. From and out of the moneys so held and retained by said first party, as Trustee, the said first party shall pay interest on the costs of said railroad, as represented by bonds and scrip, for fractions of bonds of said second party, issued therefor and paraphed by said first party, as mortgagee, of the said second party, at the rate of ten per cent. per annum, said costs to be ascertained by said second party and said first party, and stock, bonds or other securities as may be agreed to be issued by said second party therefor, and said interest to be paid by said first party to the holders of such bonds or other similar securities.

Fifth. From and out of any surplus of such moneys that at the end of any fiscal year shall remain in the hands of the first party, after payment of interest on said bonds at the rate of ten per cent. per annum, as in the last preceding paragraph expressed, the said first party shall purchase so many of the bonds as the money in its hands may be sufficient to purchase, at the best price for which it can obtain the same, not exceeding one hundred and ten (110), and accrued interest, and in case said first party cannot, after proper advertisement, purchase such bonds at said price, thereupon the said first party shall designate, by lot, by the numbers thereof, certain of

said bonds for redemption, at the price of one hundred and ten, and accrued interest. The first party shall thereupon give public notice, by advertisement in a daily newspaper in the City of New York, once a week, for four weeks, of the bonds so designated for redemption, and thereupon interest upon said bonds shall cease, and the same shall be paid and redeemed by said first party upon the presentation, at the rate aforesaid, and when redeemed, the same shall be cancelled, and the amount of the bonds secured by said mortgage reduced to that extent, provided the said first party shall not in any one year apply said moneys for the purchase, or redemption, of more than one-tenth of the whole amount of the bonds that may have been issued by the second party, and paraphed by the first party; and provided further, that if in any year the said moneys in the hands of the first party shall have been insufficient, after making payments directed to be first made, to purchase or redeem one-tenth of said bonds, as above expressed, bonds to make up said one-tenth may be purchased, or redeemed, in any succeeding year out of any moneys over and above the amount necessary to purchase, or redeem, the one-tenth of bonds for such succeeding year, it being the intention to allow of the purchase, or redemption, of one-tenth of such bonds in each year, and to apply the surplus money of any one year to supply the deficiency of any other.

Sixth. When all the bonds are retired and cancelled, first party shall hold the stock, hereinbefore referred to, of the said second party for the benefit of the Missouri, Kansas and Texas first and second mortgage bondholders, keeping alive the organization of the said second party, or said first party may cause the stock to be cancelled, and the property of the said second party to be conveyed to the Missouri, Kansas and Texas Railroad Company, subject to their first and second mortgages of said Missouri, Kansas and Texas Railroad Company, as the said first party may be advised will best protect and preserve the security of the Missouri, Kansas and Texas Railway Company bondholders, it being the intention that the railroad of the said second party shall, when free from debt, be added to the security underlying the first and second mortgages upon the Missouri, Kansas and Texas Railway, and form a portion of the security for the mortgage debt of said Missouri, Kansas and Texas Railway Company.

Seventh. Any balance of income at the end of the first fiscal year, whether derived from the road of second party, or that of third party,

over and above the amount required to comply with Articles two and three, to be recredited with the general income of the Missouri, Kansas and Texas Railway, and applied by the said first party as a part of the income of the Missouri, Kansas and Texas Railway for the benefit of the Missouri, Kansas and Texas Railway Company bondholders. It is mutually agreed that the said second party shall issue no securities, obligations, stock, scrip, or other representative debt, or capital, unless with the consent or approval of the said first party, and no security, obligation, stock, scrip, or representative of debt, or capital, shall be valid unless authenticated by said first party.

Eighth. The said first party shall not be bound to accept possession of any railroad built, or any portion thereof, unless at the time such possession is tendered, the same shall be free from all liens and claims, except such as are represented by securities on stock and authenticated as in the last preceding paragraph provided, or as may be collateral security therefor.

Ninth. It is further expressly understood and agreed that said first party shall in no event be bound to operate said railroad, or any part, at a loss, and in no case shall it be bound to make any payments as hereinbefore provided, unless it shall have realized the means to do so from the operation of said road; that in case the remainder of the gross earnings of said railroad, and of the Missouri, Kansas and Texas Railway on connecting business, as hereinbefore specified, after deducting the one-half and thirty-five per cent., as hereinbefore specified, shall be insufficient to pay the expenses of operating the said railroad, including the expenses of repairs and replacements, then the amount to be set apart and reserved by said first party shall be decreased until such operating expenses are paid, and in case the earnings so reserved shall be insufficient to pay such interest on all such securities the payments to be made *pro rata*, said second party shall execute a mortgage, or deed of trust, to said first party to secure its bonds, and other similar securities to be issued to represent the costs of said road as aforesaid.

Tenth. It is further mutually agreed that the first party shall have the right at any time to purchase or pay all and singular the bonds and other similar securities to be issued by said second party upon payment of a premium of fifteen per cent. and accrued interest on the principal of said bonds; provided, however, that notice of its intention so to pay, or purchase, shall be published in a newspaper in the City of New York, once a week for four successive weeks, prior

to the time of such purchase, or payment; and provided also, that no such purchase, or payment, shall be made prior to three years after the date hereof. After the date upon which said first party may give notice that it will purchase or pay said bonds, interest upon the same shall cease.

Eleventh. The third party agrees that it hereby ratifies, approves and adopts all and singular the stipulations, agreements and covenants, hereinbefore expressed and implied. The third party further covenants and agrees with the first party, and with second party jointly, and with each of them severally, that in case of the surrender, or other delivery, by said first party to said third party of the possession of the property of said third party mortgaged to said first party, that then and in such case the said first party will also accept and take possession of all the railroad of the second party then in the possession of first party, and will also take possession, when completed, of any railroad of the second party, which, pursuant to any contract between first and second party, as herein provided for, may then be in process of building, and will operate said railway of second party so taken possession of, and account for and apply the gross profits thereof in the same manner, and on the same terms, that the first party would have been bound to operate and account for, and apply gross profits thereof according to the terms of this agreement, had first party not surrendered or otherwise delivered to third party the said mortgaged property. Said third party covenants and promises, and agrees to, and with first and second parties, and to and with each of said first and second parties, and to and with the holders of the bonds and other similar securities of second party, paraphed by first party, that in case of such surrender, or other delivery of possession to third party of the property of the third party, mortgaged to first party, if said third party will punctually and promptly pay the interest and principal of the bonds and other similar securities of the second party, paraphed by the first party, and this whether the receipts for that purpose, as mentioned herein, shall or shall not be sufficient therefor; and further, that if said third party will annually purchase, or redeem, one-tenth of said bonds, on the terms and in the manner hereinbefore stated, it is mutually agreed that in such case of surrender, or other delivery of possession of said mortgaged property to said third party, said third party shall have the same privilege of purchase, or redemption, of all of said bonds after three years from the date hereof, hereinbefore given to the first party; and it is further agreed that in case of any purchase, or redemption, by said

third party of any or all of said bonds of said second party, said first party shall hold the stock of said second party thereby set free, or shall cause the property of the said second party to be conveyed in the same manner, and for the same purpose, of thereby obtaining better and further security for the bondholders of the third party, secured by first and second mortgages of the first party, according to their respective priority, as if said first party had remained in possession of the mortgaged property of said third party. It is further mutually understood and agreed, that in such case of such surrender and delivery of said mortgaged property by said first party to said third party, said first party shall be, and hereby is, released from all duty, obligation and liability hereunder, either to said second or third party.

Twelfth. It is mutually agreed that the first party is entitled to and shall receive just compensation for all services rendered in respect to the matters herein mentioned.

Thirteenth. It is further understood that this agreement is to take effect on and after the date thereof, and that all business done and transactions carried out between the day of the date and of the execution of this agreement, shall be considered as having been done and transacted under and pursuant to the provisions hereof.

In witness whereof, the said first, second and third parties have respectively caused these presents to be signed by their respective Presidents, and their respective corporate seals to be hereto respectively attached, the day and year first above written.

EDWD. KING, President
[L. s.] Union Trust Company of New York.

W. WHITEWRIGHT, President
[L. s.] Denison and South Eastern Railway Co.

JAY GOULD, President
[L. s.] Missouri, Kansas and Texas Railway Co.

Signed and sealed in the presence of

Words inserted or interlined: On second page, 15th line, word "to" interlined; on 8th page, 3d line, letter "t" prefixed to "hereof;" on 13th page, 15th line, word "respective" interlined, and also on 13th page, 23rd line, before execution.

And Whereas, In December, 1880, pursuant to a decree of the Circuit Court of the United States for the District of Kansas, the party of the first part delivered to the party of the third part the property theretofore held by it as mortgaged in possession; and also, pursuant to said decree and said foregoing agreement, delivered the property in said agreement described;

And Whereas, Theretofore, and in the year 1876, the party of the third part had duly executed to the party of the first part its income, or second mortgage, to secure income bonds to an amount not exceeding ten millions of dollars, and said mortgage had been duly recorded;

And Whereas, Since such delivery, as aforesaid, said party of the third part has paid the bonds of said party of the second part in above agreement mentioned;

And Whereas, Said party of the first part is advised that its proper course is to cause the property of the party of the second part to be conveyed to the party of the third part, subject to the first and second mortgages, made by said party of the third part, and for the better securing of the bonds secured by said mortgages, said mortgages are all made to the party of the first part, and are described as follows:

The first, of date February first, 1871, to secure fourteen millions of dollars, in bonds of one thousand dollars each, and with provisions for further issue, as more road was built, or purchased, to be secured by additional mortgages. An additional mortgage, of date June 1st, 1872, to secure two millions five hundred thousand dollars of bonds, was made. An additional mortgage, of date November 1st, 1872, to secure two millions of dollars of bonds, was made. An additional mortgage, of date June 1st, 1873, to secure two millions four hundred thousand dollars of bonds, was made. Said mortgage of February 1st, 1871, and the three additional mortgages, constitute in fact one mortgage known as the First Consolidated Mortgage.

The second mortgage bears date April 1st, 1876, and is known as the Income Mortgage.

And Whereas, The object of this instrument is to carry out the provisions of said agreement, above mentioned, especially the sixth and eleventh clauses thereof;

Now therefore, in consideration of the premises, and the sum of

one dollar paid to the parties of the first and second parts, respectively, at or before the ensealing and delivery hereof, the receipt whereof is hereby acknowledged, and in order to carry out the provisions of the agreement above mentioned, the said parties of the first and second parts have granted, bargained, sold and assigned, transferred and conveyed, and by these presents do grant, bargain, sell, assign, transfer, and convey, unto the said party of the third part, all and singular the property, franchises and rights described in said agreement, and more particularly described as follows, to wit:

All and singular the railway of the party of the second part, as now constructed and operated, extending from the City of Denison, in the county of Grayson, in the State of Texas, through the county of Fannin, to Greenville, in the county of Hunt, in said State, and being a distance of fifty-two miles, more or less; also its railroad, as now constructed and operated, extending from said City of Denison, westwardly, to Gainesville, in the county of Cooke, in said State of Texas, being a distance of forty-two miles, more or less, including all the railway constructed, or to be hereafter constructed, right of way, depot grounds and other lands, tracks, bridges, viaducts, culverts, fences and other structures, depots, station-houses, engine-houses, wood-houses and other buildings, and all machine shops and other shops, held or acquired, or hereafter to be acquired, by said party of the second part, it successors or assigns, for use in connection with the said railway, or any part thereof, or with the business of the same; and including also all locomotives, tenders, cars, and all other rolling stock, or equipments, and all machinery, tools, implements, fuel, and material for constructing, operating, repairing or replacing the said railways, or any part thereof, or any of the equipments, or appurtenances, of the said railway, or any part thereof; and including also all revenue, freights, tolls, sums of money, and income arising, or to arise from the said railway, on the premises hereinbefore expressed to be conveyed, or any part of them, and also all corporate or other franchises, rights and privileges connected with or related to the said railway, or to the construction, maintenance, or use of the same, together with all and singular the tenements, hereditaments, rights, liberties, privileges, easements and appurtenances to the said Railway Company, lands, or premises, hereinbefore expressed to be conveyed, or any of them belonging, or in any way appertaining, or in any way held or enjoyed therewith, or which may hereafter be held or enjoyed therewith, and the reversion or reversions, remainder or remainders, tolls, incomes, revenues, is-

sues and profits thereof, subject, however, to the said mortgages above mentioned, and to the lien thereof, and to the end that said property hereby conveyed may be subject to the lien of said mortgages, and the same as if it had been owned by said party of the third part at the time said mortgages were executed, and had been specially described therein; to have and to hold all and singular the above mentioned and described premises, subject, as aforesaid, unto the said party of the third part, its successors and assigns; AND the said party of the third part convenants and agrees to, and with said party of the first part, as Mortgagee in said two mortgages of the party of the third part, hereinbefore described as the Consolidated and Income Mortgages, that it will hold the property, rights and franchises hereby conveyed subject to the said two mortgages above mentioned, and to the lien thereof, and to the end that said property hereby conveyed may be subject to the lien of said mortgages, the same as if said property had been owned by said party of the third part at the time said mortgages were executed, and had been specially described therein. It is further stipulated and agreed between the parties hereto that the bonds of the Denison and Pacific Railway Company, and the bonds of the Denison and South Eastern Railway Company, which were issued before consolidation and secured by a mortgage of date February 1st, 1878, and also the capital stock of said two corporations shall be held by the Union Trust Company of New York, in trust as further and additional security for the bonds of the party of the third part, secured by said mortgage of February first, one thousand eight hundred and seventy-one, and additional mortgages hereinbefore mentioned, and the said Income Bonds, secured by said Income Mortgage; and also for the security of the party of the third part in respect to the title of said premises hereby conveyed, it is agreed that whenever the Legislature of the State of Texas shall have legally ratified and made valid the consolidation of said Denison and Pacific Railway Company, and the Denison and South Eastern Railway Company, and also this conveyance, the said bonds and stock so held in trust by the party of the first part shall be cancelled and destroyed, provided the party of the third part shall so request. It is further understood and agreed that the lien of the said first and second mortgages of the said party of the third part shall not, by virtue of anything in this conveyance contained, extend to road of the party of the second part, other than the fifty-two and forty-two miles of railway hereinbefore described.

IN WITNESS WHEREOF, the said parties of the first, second and

third parts have caused these presents to be signed by their respective Presidents, and their respective corporate seals to be hereto affixed, the day and year first above mentioned.

UNION TRUST COMPANY OF NEW YORK,

[L. S.] By EDWD. KING, President.

MISSOURI, KANSAS AND TEXAS EXTENSION RAILWAY COMPANY.

[L. S.] By N. L. MCCREADY, President.

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY,

[L. S.] By JAY GOULD, President.

STATE OF NEW YORK, }
City and County of New York, } ss.

Be it remembered, that on this 26th day of November, A. D. 1881, before me, Charles Nettleton, a Commissioner of the State of Texas, in and for the State of New York, residing in the said City of New York, personally appeared N. L. McCready, President of the Missouri, Kansas and Texas Extension Railway Company, to me personally known to be such, who, being by me duly sworn, did depose and say that he resided in New York City, New York; that he was the President of the said Company; that he knows the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that he signed his name thereto, by the like order, as the President of said Company, said instrument bearing date November 26th, 1881. And the said N. L. McCready, as such President above mentioned, further acknowledged to me that he had executed the said instrument, to be his free and voluntary act and deed, and to be the free and voluntary act and deed of said Company, for the uses and purposes therein expressed.

In witness whereof, I have hereunto set my hand and affixed my official seal, this 26th day of November, A. D. 1881.

CHARLES NETTLETON,

[L. S.] Commissioner for Texas in New York,
117 Broadway, New York City.

STATE OF NEW YORK,
City and County of New York, } ss.

Be it remembered, that on this 26th day of November, A. D. 1881, before me, Charles Nettleton, a Commissioner of the State of Texas, in and for the State of New York, residing in said City of New York, personally appeared Jay Gould, President of the Missouri, Kansas and Texas Railway Company, to me personally known to be such, who, being by me duly sworn, did depose and say that he resided in New York City, New York; that he was the President of the said Company; that he knows the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that he signed his name thereto, by the like order, as the President of said Company, said instrument bearing date November 26th, 1881. And the said Jay Gould, as such President above mentioned, further acknowledged to me that he had executed the said instrument, to be his free and voluntary act and deed, and to be the free and voluntary act and deed of said Company, for the uses and purposes therein expressed.

In witness whereof, I have hereunto set my hand and affixed my official seal this 26th day of November, A. D. 1881.

CHARLES NETTLETON,
[L. S.] Commissioner for Texas in New York,
117 Broadway, New York City.

STATE OF NEW YORK,
City and County of New York, } ss.

Be it remembered, that on this 26 day of November, A. D. 1881, before me, Charles Edgar Mills, a Commissioner of the State of Texas, in and for the State of New York, residing in said City of New York, personally appeared Edward King, the President of the Union Trust Company of New York, to me personally known to be such, who, being by me duly sworn, did depose and say that he resided in New York City, New York; that he was the President of the said Company; that he knows the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that he signed his name thereto, by the like order, as the President of said Company, said instrument bearing date November 26th, 1881. And the said Edward King, as such

President above mentioned, further acknowledged to me that he had executed the said instrument, to be his free and voluntary act and deed, and to be the free and voluntary act and deed of said Company, for the uses and purposes therein expressed.

In witness whereof, I have hereunto set my hand and affixed my official seal this 26th day of November, A. D. 1881.

CHARLES EDGAR MILLS,
[L. S.] Commissioner for Texas in New York,
117 Broadway New York City.

Filed for record December 12th, 1881, at 9 o'clock a. m.
Recorded December 15th, 1881.

G. A. DICKERMAN, Clerk.

STATE OF TEXAS, }
County of Grayson. }

I, J. P. Austin, Clerk of the County Court in and for said State and county, do hereby certify that the within and foregoing is a true and correct copy of a deed from the Union Trust Company of New York, and Missouri, Kansas and Texas Extension Railway Company, to the Missouri, Kansas and Texas Railway Company, together with the certificate and authentication and the date of records, as appears of record in my office, in Vol. 51, pages 159 to 168, inclusive, of the Deed Records of Grayson county, Texas.

Given under my hand and official seal, at office in the city of Sherman, Texas, this the 27th day of September, A. D. 1889.

[L. S.] J. P. AUSTIN,
Clerk of the County Court in and for Grayson county, Texas.

THE INTERNATIONAL

AND

GREAT NORTHERN RAILROAD COMPANY.

The Houston and Great Northern Railroad Company was chartered by an act of the Legislature of the State of Texas, passed October 22d, 1866, (see Special Laws 11th Legislature, page 176,) authorizing it to construct and maintain a railroad from Houston northward to Red River, with the right to extend from Houston to Galveston, and form a junction with any other road between Houston and Clarksville, or at either of its termini.

The Houston Tap and Brazoria Railway Company was incorporated by an act of the Legislature of Texas, passed September 1st, 1856. (See Special Laws 6th Legislature, adjourned session, page 262). It was authorized to construct and maintain a railway from the City of Houston to such point on the Brazos river, in Brazoria county, and on the Colorado river, as may be found most suitable. The original act of incorporation was subsequently amended, by act approved January 23, 1858, (see Special Laws 7th Legislature, page 69,) and act approved December 17th, 1859. (See Special Laws 8th Legislature, page 6.)

The Houston Tap and Brazoria Railway Company

being indebted to the State of Texas for money borrowed from the common school fund, the Legislature of Texas, on the 15th of August, 1870, passed an act directing a sale of the railway of the Company. (See General Laws 12th Legislature, called session, page 233.) In accordance with the terms of said act, the Governor sold the road, and the State became the purchaser. Thereafter, on the 18th of May, 1871, the Legislature passed a joint resolution, authorizing the Governor to make sale of the railroad. (See General Laws 12th Legislature, first session, page 158.) On the 21st of July, 1871, the Governor sold the property to Masterson & Wagley, but before the transaction was consummated, by agreement of the parties, Moses Taylor was substituted to the rights of the purchasers. E. J. Davis, as Governor of the State of Texas, executed a deed to Moses Taylor, dated 11th September, 1871, which will be found recorded in Harris County Records of Deeds, Book 10, pages 13 and 14. A judgment was recovered against the Houston Tap and Brazoria Railway Company, and the corporate property and franchises were sold, and bought by W. J. Hutchins, to whom the Sheriff of Harris county, Texas, by deed dated 2d of February, 1869, made conveyance. (See Harris County Records, Vol. 7, page 147.)

On the 3d of January, 1873, W. J. Hutchins conveyed to Moses Taylor the corporate property and franchises of the Houston Tap and Brazoria Railway Company. Afterwards, the road-bed, track, franchises and chartered powers and privileges of said Railway Company were again sold, by the Sheriff of Harris county, under an execution issued against said Company, and the property was conveyed, by said Sheriff, to Moses Taylor, by deed dated 14th of January, 1873, which will be found record-

ed in Records of Harris County, Volume 11, pages 663 and 664.

On the 4th of April, 1873, Moses Taylor conveyed to the Houston and Great Northern Railroad Company the property purchased by him from the State and at said Sheriff's sales, which deed of conveyance was recorded in Harris County Records of Deeds, in Volume 12, pages 52, 53 and 54.

On April 4th, 1871, the Legislature of Texas incorporated the Huntsville Branch Railway Company. (See Special Laws 12th Legislature, page 78.) By the terms of this act the Company was authorized to construct and maintain a railroad from a point on the Houston and Great Northern Railroad to Huntsville, in Walker county, Texas.

On the 13th of November, 1866, the Legislature of Texas incorporated the Victoria and Columbia Railroad Company. (See Special Laws 11th Legislature, page 437.) Afterwards, on August 13th, 1870, a supplement to the original act of incorporation was passed by the Legislature of Texas. (See Special Laws 12th Legislature, called session, page 175.) The Houston and Great Northern Railroad Company acquired this franchise.

On the 8th of May, 1873, the Legislature of Texas passed an act to consolidate the Houston Tap and Brazoria Railway, the Huntsville Branch Railway, and the Victoria and Columbia Railroad with the Houston and Great Northern Railroad. (See Special Laws 13th Legislature, page 399.) By the terms of this act, all rights, privileges and franchises granted, or secured, in the charter of either or all of the aforesaid corporations, inured to the Houston and Great Northern Railroad

Company, and were declared to be, to all intents and purposes, in law, a part of the latter, and under its control and management, in like manner with every other part of said road. This act of the Legislature was accepted by the Houston and Great Northern Railroad Company, by resolution adopted by its Board of Directors, dated July 15, 1873, and at stockholders' meeting, held December 1st, 1873.

The International Railroad Company was chartered by an act of the Legislature of Texas, entitled "An Act to Incorporate the International Railroad Company and to provide for the aid of the State of Texas in constructing the same," August 5th, 1870. (See Special Laws 12th Legislature, called session, page 104.)

By the terms of this act, said Company was authorized to construct and maintain a line of railway from such point on Red River, as nearly opposite the town of Fulton, in the State of Arkansas, as may be found expedient in forming a junction with the railway then known as the Cairo and Fulton Railway, by the most practicable and expedient route across the State of Texas, by way of the cities of Austin and San Antonio, to the Rio Grande river, at such point at or near Laredo as may be selected by said Company, as affording the best facilities for a continuation of said railroad to the City of Mexico, and to the Pacific ocean at or near San Blas or Mazatlan; and with power to construct a branch road from the city of Jefferson.

On the 24th of September, 1873, at a meeting of the stockholders of the International Railroad Company, the following resolution was adopted: "*Resolved*, That the "International Railroad and its property, rights, powers "and franchises be united, consolidated and merged with

"the railroad, property, rights, powers and franchises of "the Houston and Great Northern Railroad Company; "also, that the capital stock of this Company be consol- "idated with the capital stock of the Houston and Great "Northern Railroad Company, and that the railroad of "this Company, and its capital stock, when so consoli- "dated and united by the mutual agreement between "the railroad companies above named, be placed under "the direction of any new Board of Directors to be "chosen as the directors of the consolidated company, "so that the franchises, powers and privileges of both "companies be represented, controlled and managed un- "der one name, and the joint property be held, and all "the rights of both corporations be owned, exercised "and used by the new consolidated company; the agree- "ment of consolidation to be in the following terms:"

[Here copy agreement for consolidation.]

At a meeting of the stockholders of the Houston and Great Northern Railroad Company, held on September 27th, 1873, a resolution was adopted authorizing the consolidation of that Company, its property, rights, etc., with the International Railroad, similar in terms to the resolution passed at the meeting of the stockholders, of that Company, held on September 24th, 1873, before quoted.

The two companies were consolidated under the name of the International and Great Northern Railroad Company.

On April 24th, 1874, this consolidation was recognized by the State, by the passage of an act, by the Legislature, entitled "An Act to authorize the International and Great Northern Railroad Company to issue bonds." (See Special Laws, 14th Legislature, first session, page 44.)

This act granted the International and Great Northern Railroad Company power to borrow money on its bonds, and to secure the same by a mortgage on its road, or other property, or both, and making said consolidated Company liable for all bonds issued, debts and liabilities incurred by either the International Railroad Company, or the Houston and Great Northern Railroad Company.

Said consolidation was also recognized by the State, by the passage, by the Legislature, of the act of March 10th, 1875, hereinafter referred to.

Section IX. of the act of August 5th, 1870, donated and granted to the International Railroad Company the bonds of the State of Texas to the extent and amount of ten thousand dollars per mile for each mile of railroad constructed under its charter, requiring that said bonds should be signed by the Governor and Treasurer of the State of Texas, and countersigned and registered by the Comptroller, with the seal of the State of Texas affixed thereto.

On the 18th of November, 1873, the International Railroad Company brought suit, in the District Court of Travis county, against A. Bledsoe, Comptroller of the State, alleging that, under the terms of its charter, the International Railroad Company was organized and proceeded with the construction of its road, and on the 25th of November, 1871, the President of the road notified the Governor of Texas, in writing, that fifty-two miles thereof had been completed, and thirty-three other miles graded and prepared for the iron, and formally offering fifty miles of said railroad for inspection; that an appointment of inspectors was made December 2d, 1871, and their report submitted on the 11th and 13th of December, 1871, showing that in the construction of fifty

miles the Company had fulfilled the requirements of the charter; that on the 22d of April, 1872, the Governor transmitted to the Treasurer three hundred one thousand dollar bonds, as provided for in the charter of the Company, requesting the signature of that official to each of them; and that he, after signing them, turned them over to the Comptroller to be countersigned and registered; that on the 14th of March, previous, two hundred similar bonds had, in like manner, been transmitted; that these bonds were returned by the Comptroller to the Governor without being countersigned and registered, and his reasons for non-action stated; the Company prayed for a decree directing that a peremptory mandamus be issued to A. Bledsoe, commanding him, as Comptroller of the State, to countersign and register, and return to the Governor the bonds transmitted to him, by the Governor, through the Treasurer.

On the trial of the case, in the District Court, judgment was rendered for plaintiff, commanding the Comptroller to countersign and register the five hundred bonds specified. An appeal was taken to the Supreme Court by the defendant. The Supreme Court, at its Austin term, 1874, reversed and dismissed the case, holding that the District Court had neither the power nor authority, under the Constitution, to compel an executive officer of the Government to perform an official duty which required the exercise of judgment or discretion. The case was decided by a divided Court. (See 40 Tex., page 537, *et seq.*)

In March, 1875, the 14th Legislature passed an act entitled "An Act to limit the amount to be issued in bonds of the State to the International Railroad Company, and to adjust all matters of difference between the State and said Company," which limited the issuance of

bonds, under the act of August 5th, 1870, to 370 miles of that portion of the line between Jefferson and San Antonio; and further provided that the whole amount of bonds to be issued should not exceed three millions of dollars. This act was vetoed by the Governor, by message to the Senate, of date March 6th, 1875.

In the message of the Governor, he recommended and urged the passage of an act exempting the Company from all taxation for twenty-five years; that twenty sections of land per mile on the entire line of their road be granted them, and relieving them from the burden of locating the alternate school sections, as the other railroad companies were required by law to do.

On the 10th of March, 1875, the Legislature of Texas, acting on the recommendation of the Governor, passed an act entitled "An Act for the relief of the International Railroad Company, now consolidated with the Houston and Great Northern Railroad Company, under the name of the International and Great Northern Railroad Company." (See Special Laws 14th Legislature, second session, page 69.) Under this act the State granted the International and Great Northern Railroad Company twenty sections of land per mile, in compromise and satisfaction of the State's promise, in the original charter, passed August 5th, 1870, to donate to said International Railroad Company ten thousand dollars per mile of its road in bonds of the State. It also exempted the property from taxation for a period of twenty-five years, as provided in the orignal charter.

In the Spring of 1878 suits were filed in the Circuit Court of the United States for the Western District of Texas, at Austin, against the International and Great Northern Railroad Company, by the Trustees, for the holders of bonds of the International Railroad Company,

and of the Houston and Great Northern Railroad Company, severally, each of said corporations having issued its bonds, secured by mortgages on its railroad and franchises.

Decrees of foreclosure were rendered on April 15th, 1879, and, under those decrees, both of said roads, and their franchises were sold in July, 1879, and were purchased by John S. Kennedy and Samuel Sloan, as Agents and Trustees for the bondholders of said two corporations, the purchasers taking such estate and interest as the International and Great Northern Railroad Company had therein. On report of said sale, by the the Master, to the United States Court, at Austin, the sale was confirmed in August, 1879, and the Master was ordered to make deeds to the purchasers, which he did on October 14th, 1879, and which deeds are of record.

Afterwards, on November 1, 1879, Kennedy and Sloan, as Trustees, by deed duly recorded, sold the International and Great Northern Railroad, with all they acquired as purchasers, to the International and Great Northern Railroad Company for $10,348,000.00, secured by purchase money mortgages on the property sold. The first mortgage secures 5,374 bonds of said Company for $1,000.00 each, and 500 bonds for $500.00 each. The second mortgage secures the payment of 4,474 bonds for $1,000.00 each, and 500 bonds for $500.00 each.

The compromise act of March 10, 1875, exempted the International proper from taxation for 25 years. After the purchase of the property by the International and Great Northern Railroad Company from Kennedy and Sloan, Anderson county, through which said road runs, sought to levy and collect taxes upon the International Railroad, contending that the property was exempt from

taxation only so long as it remained the property of the corporation, and the corporation having been divested of the property at the Master's sale, the exemption from taxation ceased, and therefore the corporation reacquired the property subject to taxation. The Company enjoined the collection of that tax, which the Court below sustained in part, whereupon the Company appealed, and the Supreme Court held that the exemption from taxes still exists and perpetuated the injunction, so that the International proper has been adjudged by the Supreme Court of Texas to be exempt from taxation for any purpose until after July 5, 1900. The case is reported in 59 Texas Reports, p. 654.

In May, 1880, the State, on relation of the Attorney General, instituted suit against the International and Great Northern Railroad Company, seeking a forfeiture of its charter for alleged failure to construct the International portion of it as required by its charter. The Court below refused the forfeiture of its charter, but did forfeit the Company's right to the lands under the compromise act from Austin to Laredo. On appeal by the State this judgment was affirmed in 1882. See report of the case in 57 Texas, 534.

It will be remembered that the lands granted the International and Great Northern Railroad Company, under the general law of the State, and those donated for the construction of the International, under the compromise act of March 10, 1875, were never included in any of said mortgages made by said corporations. After the suits for foreclosure were filed, those corporations transferred all the lands so acquired from the State in satisfaction of their second mortgage bonds. The lands donated to the International were also exempt from taxation, and the Supreme Court has held that the exemp-

tion is good as to the vendees of those lands. See 58 Texas, p. 616. The exemption will expire on July 5, 1900.

In 1882, the International and Great Northern Railroad Company purchased the capital stock of the Georgetown Railroad Company, extending from Round Rock to Georgetown, in Williamson county, a distance of about ten miles.

In September, 1880, the International and Great Northern Railroad Company purchased a majority of the capital stock of the Henderson and Overton Branch Railway, extending from Overton to Henderson, Rusk county, Texas.

Since said purchases the International and Great Northern Railroad has operated both the Georgetown Railroad and the Henderson and Overton Branch Railway as branches.

The Austin and Oatmanville Railway Company was incorporated under the general laws of the State of Texas, by articles of incorporation bearing date 25th day of October, 1883, which were filed in the Department of State November 5th, 1883.

By said acticles of Incorporation it was empowered to construct and maintain a railroad, to commence at Kouns Station, on the International and Great Northern Railroad, about five miles south of Austin, in Travis county, Texas, and to run to the village of Oatmanville, in said county of Travis, a distance of about six miles.

The International and Great Northern Railroad Company purchased all of the stock of said Railway Company in 1887. At the same time Abner Taylor conveyed to said Railway Company the right of way owned by him, upon which said road was constructed, and also an undivided one-half interest in the right of operating a

quarry on thirty acres of land in the vicinity of said village of Oatmanville.

In November, 1882, at a meeting of the stockholders of the Internatinal and Great Northern Railroad Company a resolution was passed authorizing the Board of Directors, or the Executive Committee, of the Company, to enter into such running and traffic arrangements with the Galveston, Houston and Henderson Railroad Company of 1882, or to acquire the control of the properties of said Company, by the purchase of its stock, or by the lease, for a term of years, of the properties of the said Company, or both, as they may decide to be for the best interest of the Company, and in consideration thereof, the said Board, or said Executive Committee, were authorized and empowered to guarantee the punctual payment of the principal and interest, as therein stipulated, on an issue of two millions of dollars of said Galveston, Houston and Henderson Railroad Company's First Mortgage 5 per cent. Bonds, according to their tenor and effect.

On the 1st of June, 1881, the International and Great Northern Railroad Company, by indenture bearing that date, leased to the Missouri, Kansas and Texas Railway Company, all of its lines of railroad and branches, equipment and rolling stock, then completed, or that might be thereafter acquired, including all of their property, both real and personal, necessary to the use and operation of said demised railroad.

On the 2d of May, 1888, by agreement bearing that date, the said lease of date 1st June, 1881, was abrogated, cancelled and annulled.

On the sale of the railroad, franchises and property, by Jno. S. Kennedy and Samuel Sloan, the International and Great Northern Railroad Company executed

to John S. Kennedy and Samuel Sloan, Trustees, its first mortgage of date November 1st, 1879, upon its railroad, franchises and properties, to secure a series of bonds as follows: 5,374, for $1,000 each, and 500, for $500 each.

On the same day it also executed a second mortgage to Samuel Sloan, Wm. Walter Phelps and John S. Baines, Trustees, on its railway, franchises and corporative property, to secure a series of bonds as follows: 4,474, for $1,000 each, and 500, for $500 each.

On the 15th of June, 1881, the International and Great Northern Railroad Company executed its six per cent. Gold Mortgage to Farmers' Loan and Trust Company, Trustee, in exchange for bonds secured by the second mortgage, of date November 1st, 1879. The series of bonds secured by this last mortgage were: 5,234, for $1,000 each, and 500, for $500 each.

CONSTRUCTION OF INTERNATIONAL AND GREAT NORTHERN RAILROAD.

Houston and Great Northern Railroad was completed from Houston to Palestine in December, 1872, and to Mineola, August, 1873.

International Railroad was completed from Longview to Rockdale—about 200 miles—in February, 1874, and from Rockdale to Austin—a distance of 60 miles—December 25th, 1876; from Austin to San Antonio—a distance of 803–10 miles—February 21st, 1881, and from San Antonio to Laredo—a distance of 152 miles—January 1st, 1882.

AN ACT

TO INCORPORATE THE HOUSTON AND GREAT NORTHERN RAILROAD COMPANY.

SECTION 1. *Be it Enacted by the Legislature of the State of Texas*, That T. M. Bagby, M. S. Ector, J. M. Maxcy, M. H. Bonner, G. G. Gregg, Israel Worsham, C. G. Young, E. Currie, H. D. Taylor, W. J. Hutchins, J. C. Smith, Thomas Gibbs, M. McMorris, E. B. Nichols, W. H. Pitts, Green Cheatham, Henry W. Jones, R. S. Simington, R. B. Long, George Yarbrough and James Mitchell, be, and they are hereby appointed Commissioners to open books and receive subscriptions to the capital stock of a corporation to be styled the Houston and Great Northern Railroad Company. A majority of said Commissioners shall constitute a quorum to do business, and shall meet in the City of Houston on the first Monday in December, A. D. 1866, or as soon thereafter as a majority thereof may agree upon; and they may appoint one or more of their own body, and such other agents as they may select, to open books at such places as they may direct, to receive subscriptions for the stock of said Company; and the said Commissioners shall hold meetings from time to time, as their business may require, until Directors shall be selected, as hereinafter provided for. In receiving subscriptions for said capital stock, they shall require five per centum thereof to be paid at the time of subscribing, whether to one of their own number or an agent appointed by them; and any subscription to said stock upon which the amount of five per centum is not paid, shall be void, and the party receiving the same, on the part of the Company, shall be responsible to it for said five per cent. upon said stock; provided, that certificates of said stock shall not be assignable until after the organization of said Company.

SEC. 2. That the subscribers to said capital stock, whenever they

shall have selected directors, are hereby created and established a body corporate and politic, under the name and style of the Houston and Great Northern Railroad Company, with capacity in said corporate name to sue and be sued, to plead and be impleaded, to have succession and a common seal, to make contracts, to grant and receive, to make by-laws for its government, and generally to do and perform all things necessary or proper to the maintenance of its rights under this act, and not inconsistent with the Constitution of this State and of the United States.

Sec. 3. The capital stock of said Company shall not exceed six millions of dollars, to be divided into shares of one hundred dollars each; each share to entitle the owner thereof to one vote in all elections and meetings, when the stockholders are called upon to vote, and a majority of the votes shall govern in all cases not otherwise provided by law; the said shares of stock shall be deemed personal estate, transferable only on the books of the Company.

Sec. 4. The direction and control of the affairs of said corporation shall be vested in a board of not less than five, nor more than nine Directors, as the by-laws may provide; they shall be chosen by the stockholders at their annual meetings, the first of which shall be holden at such times as the corporators herein-mentioned shall designate; the said directors shall select one of their own body to be President of said Company; shall fill vacancies in their board, appoint a Secretary, Treasurer, and such other officers and agents as they deem proper, and require bond for the prompt and honest discharge of their duties, make all proper rules for the holding of their meetings, and all other rules not inconsistent with the general laws, which they may deem necessary to protect the interest of the Company; they shall cause to be kept accurate books of accounts, exhibiting the receipts and expenditures of the Company. A majority of the Directors shall constitute a quorum to do business, and shall have the power of a full board; and all conveyances and contracts in writing signed by the President, and countersigned by the Secretary, or any other officer duly authorized by the Board of Directors, under the seal of the Company, when the same is in execution of an order of the board, shall be binding and valid.

Sec. 5. That so soon as one hundred thousand dollars of the capital stock of said Company is subscribed, and five per cent. thereof paid to the Commissioners, they shall cause the first election to be held for Directors, first giving notice of the time and place of

such election, by publication in some newspaper printed in the City of Houston, and in another paper published in the City of Marshall, and in another published in the City of Tyler; and when said Directors, so elected, shall have organized, the said Commissioners shall pay over to the Treasurer of the Company all the moneys they have received upon subscriptions to the stock of the Company, and deliver to said Directors all the books and papers belonging to the Company.

SEC. 6. That said Company, when it shall be organized under the provisions of this Act, shall be, and is hereby invested with the right of locating, constructing, owning, operating and maintaining a railroad, commencing at the City of Houston, and running northward to Red River, connecting with the Memphis and El Paso Railroad, as near Clarksville as practicable, and passing as near to the towns of Montgomery, Huntsville, Crockett, Rusk, and Tyler as cheapness of construction, practicability, and the general advantages of the country will permit.

SEC. 7. That said Company, after its organization, in pursuance of this act, under the Board of Directors, shall have power to receive further subscriptions to the capital stock of said Company until the whole amount shall have been subscribed; but five per cent. of its subscriptions shall be paid at the time of subscribing, and the Directors shall be personally liable to said Company for five per cent. of all such subscriptions as they may receive without such payment; provided, however, that said Company may, by a vote of a majority of the votes of the stockholders, issue certificates of stock, to be issued in payment of any debt contracted for the construction or equipment of said road. Any agreement, in writing, to subscribe for stock may be enforced, according to its terms; and if any subscriber shall fail to pay any amount due upon shares subscribed for by him, according to the terms of his subscription, the Directors may sell, at auction, after giving thirty days notice, as required at Sheriff's sales; the sale to take place in the county where the Company has its principal office, and transfer the shares of such delinquent to the purchaser; and if the proceeds of such sale shall not be sufficient to pay the amount due, with interest and charges, said delinquent shall be liable to the Company for the deficiency; but if the proceeds shall exceed the amount due, with interest and charges, he shall be entitled to the excess.

SEC. 8. It shall be lawful for said Company to enter upon and

purchase, or otherwise take and hold, any land necessary for the purpose of locating, constructing and maintaining said railway, with all the necessary depots and other buildings connected with said railway; and if they shall not be able to obtain such lands by agreement with the owners therof, they shall pay such compensation as shall be determined in the manner provided in the following section. The land so taken for the road-bed shall not exceed fifty yards in width, and for depots and other buildings only such width as shall be absolutely necessary.

Sec. 9. Any person, when his land has been taken, as aforesaid, may apply to the County Judge of the county where the land is situated, for the appointment of three freeholders, and said County Judge shall thereupon appoint a time and place to hear the applicant and the Company, to whom shall be given reasonable notice of such time and place; and said freeholders shall, after being sworn, and having heard the parties, determine the compensation to be paid to the applicant, and make return of their award to the next regular term of the County Court of said county; and said award may be confirmed, or for any sufficient reason it may be set aside by said Court; and if it be confirmed, judgment shall be rendered thereon as in other cases. In determining the compensation to be paid, as aforesaid, the said freeholders shall be governed by the actual value of the land at the time it was taken, and shall consider the injury and benefit which would result to the adjoining land of the applicants by the establishment of the railroad; and if the benefit shall exceed the injury, the applicant shall receive nothing, but shall pay the cost. If the party claiming compensation before the County Judge shall have refused to take from the Company the amount awarded by the freeholders before his application to the County Judge, in that case he shall pay the costs of proceedings, otherwise the Company shall pay the same.

Sec. 10. The said Company, in its charges for freight and passengers, shall be governed by the general railroad law; it shall have the right to cross all public highways that it may be necessary to cross to establish said railway; and if said road shall cross any stream that is navigable, it shall cross in such manner as not to impede navigation.

Sec. 11. That said Company shall have the right to form a junction with any other railroad, at any point between Houston and Clarksville, or at either of its termini, upon such terms and condi-

tions as may be agreed on by the companies; and if, from any cause, said companies cannot agree upon the terms and conditions of such junction, then, and in that case, the same shall be determined by arbitrators, not being stockholders in either company, to be chosen by each party, and if they cannot agree, the difference to be adjusted by an umpire, chosen by the arbitrators.

Sec. 12. That said Railway Company shall have power to borrow money and issue its bonds, with or without mortgage, provided that the same be done in conformity to the laws of the State, this Act of Incorporation, and the By-Laws of the Company.

Sec. 13. The annual meeting of the stockholders of this Company shall be held at the principal office, in the city of Houston, on the first Monday of December of each year, which shall be a day for the transaction of business by the stockholders, at which time the annual election for Directors shall take place. Should the stockholders, owning a majority of the stock, fail to meet on that day, the Directors may appoint another day for said election, and an election held on the day appointed shall be valid. Directors elected under the provisions hereof, shall hold office until the next annual meeting, and until their successors are qualified and chosen.

Sec. 14. This Company shall be subject to all general laws now in force, or which may hereafter be in force, in regard to running over the road of one company by another, when the public interest, or the interest of commerce requires it, and may form a junction, and connect with any other road in such manner as may best and most certainly secure the construction of their railway.

Sec. 15. This charter shall remain in force for the period of fifty years, from the date of completing said railway, provided the conditions set forth are fully complied with.

Sec. 16. This Company shall be entitled to receive such donations of land as are provided for the encouragement of internal improvements, by any general law of this State, upon the terms and conditions in such law prescribed; provided that the State donation of lands, now provided for by law, shall not apply to such portion of the road of said Company as shall be run parallel within five miles of any road now in running order.

Sec. 17. That subscriptions for stock may be paid in land; provided that the owner of land, who desires to pay for his stock with the same, shall pay the full amount of his subscription in lands at the

time of subscribing, at the rate the County Judge of the county in which said land is situated, and the owner shall agree upon; provided that the title to such land shall not vest in the Company until the section of twenty-five miles, which is nearest said land on the line of the railway, shall have been completed.

SEC. 18. That said Railway Company shall have the right of extension, under this charter, from the city of Houston to the city of Galveston, Texas.

SEC. 19. That this act take effect, and be in force, from and after its passage.

Passed, October 22d, 1866.

AN ACT

TO INCORPORATE THE HOUSTON TAP AND BRAZORIA RAILWAY COMPANY.

SECTION 1. *Be it Enacted by the Legislature of the State of Texas*, That E. W. Taylor, John Dickinson, William M. Rice, B. A. Shepherd, Cornelius Ennis, Thomas S. Lubbock, Henry Sampson, A. Underwood, Thomas J. Coffee, J. D. Waters, J. Greenville McNeil, John Adriance, S. W. Perkins, A. Jackson, W. J. Hutchins, M. S. Munson, and W. R. Baker, be, and they are hereby appointed Commissioners to open books and receive subscriptions to the capital stock of a corporation to be styled the Houston Tap and Brazoria Railway Company; but they shall receive no subscription to said capital stock except such as hereinafter specified, unless five per cent. thereof in cash shall be paid to them at the time of subscribing; and should they receive such subscriptions to said stock without such payment, they shall be personally liable to pay the same to said corporation when organized. A majority of said Commissioners shall constitute a quorum to do business, and they may hold meetings at such times and places as a majority shall designate, public notice of which shall be given in some newspaper upon the line of said road.

SEC. 2. That the subscribers to said capital stock, whenever they shall have elected Directors in the manner hereinafter provided, shall be, and they are hereby created and constituted a body corporate and politic, under the name and style of the Houston Tap and Brazoria Railway Company, with capacity in said corporate name to make contracts, to have succession and a common seal, to make by-laws for the government and regulation of the affairs of said Company, to sue and be sued, to plead and be impleaded, to grant and receive, to buy, sell and hold, real and personal estate, for the purpose of constructing and maintaining said road, and generally to do and perform all such acts as may be necessary and proper for or incident to the fulfillment of its obligations and purposes for the maintenance of its rights under this act, in accordance with the Constitution and laws of this State.

SEC. 3. That the capital stock of said corporation shall not be

more than one million of dollars, and may be divided into shares of not less than twenty-five, nor more than one hundred dollars each, as shall be regulated by the By-Laws of said Company. All votes of stockholders shall be governed by the respective shares of each, and a majority of all the shares shall be considered a majority of the stockholders. Each share shall entitle the owner thereof to one vote in person, or by proxy, at all meetings of the Company, and the shares shall be deemed personal estate, and shall be transferable by any conveyance in writing, recorded either by the Treasurer or any other officer duly authorized by the Directors, in books to be kept by such officer, at such places as the Directors may appoint.

SEC. 4. That said corporation shall be and is hereby invested with the right of locating, constructing, acquiring, owning and maintaining a railway, commencing at or in the city of Houston, and running thence to the Buffalo Bayou, Brazos and Colorado Railway, entering and connecting with said railway at a point not more than nine miles from the town of Harrisburg, and thence running by such course to such points on the Brazos river, in the county of Brazoria, and on the Colorado river as may be found most suitable, with the privilege and right of having the freights, passengers merchandise and cars of said Company, at all reasonable times and for a reasonable compensation, carried and drawn over said Buffalo Bayou, Brazos and Colorado Railway, upon the terms and under the rules and restrictions provided in section second of an act, entitled "An Act to amend the thirteenth, sixteenth and seventeenth sections of the act to incorporate the Buffalo Bayou, Brazos and Colorado Railway Company, passed January, 1852, and the general laws regulating railroad companies;" and if said companies, or corporations, shall be unable to agree upon the compensation aforesaid to be paid, the President of each of the said companies shall choose one man as a commissioner, and these two shall select a third man as umpire, neither of whom shall be a stockholder in either road or interested therein, and they shall fix the rates; and they shall not be changed for one year from the time of going into effect; the said Commissioners shall also fix the stated periods at which said cars are to be drawn as aforesaid, having reference to the convenience and interest of said corporations, and the public who shall be accommodated thereby.

SEC. 5. That said Commissioners herein named, or the Board of Directors elected by the stockholders of said corporation, are hereby authorized to make any contract, agreement, or stipulation with the

Mayor and Aldermen of the City of Houston, for the purpose of acquiring the railway now being constructed by said City of Houston between said point and the Buffalo Bayou, Brazos and Colorado Railway, and adopting the same as a part of the railway of this Company, or uniting it in any other manner with the railway of this Company. And said Commissioners or Board of Directors are hereby authorized to make any contract or stipulation with said Mayor and Aldermen of the City of Houston, to receive said railway above mentioned, as located and constructed, or as may be located and constructed, at the time of entering into said agreement, and all work done upon the same, and subscriptions of stock and material in the same, at the cost or valuation of the same, as so much stock in the Houston Tap and Brazoria Railway Company, and upon such other terms and conditions as may be agreed upon and stipulated between said parties; and the acts of the Mayor and Aldermen of the City of Houston in designating, locating, and constructing said railway from the City of Houston to the Buffalo Bayou, Brazos and Colorado Railway, under section 10th of the Act incorporating said last mentioned Company, and all other acts done and performed relative to the same, are hereby declared as legal and valid, as if done under the provisions of this Act. And all subscriptions of stock and other contracts or agreements entered into relative to the said road, and all rights, liens, and equities acquired relative to the same, shall be as binding and valid, and have the same force and effect upon this Company, as it entered into under this Act. And all liabilities, contracts and agreements of the City of Houston relative to said road, and all liens given by said City upon the same, shall be still binding upon the section of said road for which and on which the same were made, and upon this Company after the formation of said contract uniting said road with the road of this Company; and the said Commissioners or Board of Directors are hereby authorized to issue certificates of stock for the value of said road and property and assets so transferred by the City of Houston to said Company, either directly to the City of Houston, or to such persons as may be directed by the Mayor and Aldermen of said City; and said Commissioners or Board of Directors are hereby authorized to receive additional subscription of stock from said City of Houston to said Houston Tap and Brazoria Railroad in the bonds of said City, under the provisions of an act entitled "An Act to permit the City of Houston to levy a special tax for railroad purposes," and may in like manner issue certificates of stock to said City of Houston, or such

person or persons as may be directed by the Mayor and Aldermen of said city; but said first section of Houston Tap shall be completed before the value of said road shall be regarded as so much paid stock in this Company; and all the liabilities of said Tap Road shall remain a charge exclusively upon said section of road, and shall in no case become a charge upon the section of said road extending from the Buffalo Bayou, Brazos and Colorado Railroad to the county of Brazoria. Provided, that if the City of Houston shall, under the provisions of this Act, unite with the Houston Tap and Brazoria Railroad Company, and accept of the benefits of this Act, then the rights of the City of Houston under Section 10th of the Act entitled "An Act to incorporate the Buffalo Bayou, Brazos and Colorado Railway Company," passed February 11th, 1850, shall cease to exist, and shall be governed entirely by the provisions of this Act; and said Section 10th shall then be wholly inoperative with regard to the rights of said City of Houston or this Company.

Sec. 6. That said Commissioners or the Board of Directors shall have power to receive further subscriptions to the capital stock of said corporation from time to time in the bonds of said City of Houston, or any other city or county which may be permitted by law to subscribe and take stock in railroads; provided said Company shall take no bonds of any such city or county for a greater amount than what special provision is made to pay the annual interest upon by direct taxation; and said Company shall be bound to pay the principal and interest of any such bonds received and paid out by it upon failure of any such city or county to pay the same regularly at maturity. And such Company shall issue to any city or county so taking stock in said railroad, corresponding certificates of stock. All subscriptions of stock made in the counties of Brazoria, Wharton, and Fort Bend shall be applied exclusively to the extension and construction of said second section of said road, from the Buffalo Bayou, Brazos and Colorado Railway, unless otherwise limited by said subscriptions.

Sec. 7. That said Company may issue certificates of stock for any work done upon said road, or for any materials or supplies furnished said Company for said road, and may, by the vote of a majority of the stockholders, cause certificates of stock to be issued in payment of any debt contracted for the construction or equipment of their road, but no certificate of stock shall at any time be issued at less than par. Any agreement in writing whereby any person shall become a

subscriber to the capital stock of said Company, shall be enforced against him according to its terms; if any subscriber shall fail to pay any amount due upon shares subscribed for by him, according to the terms of his subscription, the Directors may, after twenty days public notice, sell at public auction the shares subscribed for by said delinquent, and transfer to the purchaser of such shares; if the proceeds of sale shall not be sufficient to pay the amount due, with interest and charges, such delinquent shall be held liable to the Company for the deficit; and if the proceeds shall exceed the amount so due, with interest and charges, he shall be entitled to the surplus.

Sec. 8. That the immediate control and direction of the affairs of said corporation shall be vested in a Board of not less than five Directors; said Directors shall elect one of their own number to be President of the Company, whenever seventy-five thousand dollars of the capital stock of said corporation shall have been subscribed, and five per cent. thereof shall have been paid to the Commissioners hereinbefore named, either in cash or in work done and performed along the line of said road; they shall cause an election to be held by said subscribers of the City of Houston, for not less than five Directors, having first given public notice of the time of said election in some newspaper published in said city; after which said Commissioners shall account for and pay over to said Directors all such sums as they shall have received of the capital stock of said Company, first deducting a reasonable compensation for their services as Commissioners. No person shall be eligible to the office of Director unless he be a subscriber or owner of at least three shares of the capital stock. The Directors shall have power to fill any vacancy in their body arising from non-election or other cause; they shall have power to appoint a Clerk, Treasurer, or any other officers or agents as they may deem necessary, and prescribe and require bonds for the faithful performance of their duties. They may make all necessary regulations and rules for holding of meetings, and all other things they may deem proper for the carrying out of the provisions of this charter and business of the Company; they shall keep correct records of all meetings of the Directors and Company, and accurate books and accounts of the receipts and expenditures of the Company, and all other books and accounts necessary and proper to be kept by such Company, which books shall be open to the inspection of the stockholders. A majority of the Board of Directors shall have the power of a full Board, and all conveyances and contracts executed in writing, signed by the President and countersigned by the

Treasurer, or any other officer duly authorized by the Directors, under the seal of the Company, and in pursuance of a vote of the Directors, shall be valid and binding.

Sec. 9. That it shall be lawful for the Company to purchase and hold any land that may be necessary for the purpose of locating, constructing and maintaining said railway and entering into, connecting with, and intersecting said Buffalo Bayou, Brazos and Colorado Railway, with all necessary depots and other buildings, and by their engineers, or agents, enter upon and take possession of all such lands as may be necessary for the locating, constructing and maintaining said railway; and if they should not be able to obtain such lands by agreement with the owner, they shall pay for the same such amounts as shall be determined in the manner provided in the following section; the land so taken without agreement shall not exceed fifty yards in width, and for depots and buildings only such further width as may be necessary. It shall also be lawful for said Company, in like manner, to take and hold such land as may be necessary for them to cross any river or other stream, either by bridge, ferry, or otherwise; provided that if said Company shall cross any navigable stream, they shall do it so as not to interfere with its navigation.

Sec. 10. That any person from whom land has been taken for the purpose set forth in the preceding section may apply to the District Court of the county wherein said lands, or a part of the same, are situated, for the appointment of appraisers; and said Court, after proof that the President or other officers of the Company have been served with a notice describing the land, ten days before the holding of the Court, the Court shall thereupon appoint three disinterested freeholders, citizens of the county, who shall appoint a time and place to hear the application; and the Company, to whose agent, or President, a reasonable notice shall be given by the Court of said time and place, and said freeholders, being sworn, shall, after hearing the parties, determine the amount of compensation as aforesaid, and make return of their award to said Court at its next term, and said award may be confirmed, or for any sufficient reason rejected by said Court, in the same manner as awards by arbitrators under a rule of Court; and if confirmed by the Court, judgment shall be rendered thereon as in other cases. In determining the amount of compensaation to be paid as aforesaid, freeholders shall be governed by the actual value of the land at the time it was taken, taking into consideration the benefit or injury done to other neighboring lands of the

owner by the establishment of said railway. If in any case the amount found by the arbitrators shall not exceed the sum proved to have been offered by the Company to the owner prior to his application to the Court, the owner shall pay the cost of proceedings, otherwise the Company shall pay the cost.

Sec. 11. That said Company shall have power to borrow money on their bonds or notes at such rates as the Directors may deem expedient, and to secure the same by mortgage, or other liens npon their road or other property; provided that nothing in this Act shall be so construed as to confer banking privileges of any kind. And said Company is hereby authorized by the vote of a majority of the stockholders, to unite with any other Railroad Company, converting the stock, assets and property with that of any other Company into one Railroad Company, and said road so united, or any portion of the same, may be managed and controlled by one Board of Directors, and as one road, and under such name and style as may be fixed upon by agreement, provided the name of one of said Companies so uniting, shall be retained.

Sec. 12. That said Company may adopt the section of road between the City of Houston and the Buffalo Bayou, Brazos and Colorado Railway, as a part of its road; but if said Company does not extend said road ten miles from said point of intersection with said Buffalo Bayou, Brazos and Colorado Railway, within three years after the completion of said first section, the right to extend said road from said point of intersection shall be forfeited.

Sec. 13. That upon the written request of one-fourth of the stockholders, or whenever he may think the interest and business of the Company require it, the President of the Company shall call a meeting of the Directors, and upon the written demand of three-fourths of the stockholders, the President shall remove any one or the whole of the Directors, and order a new election within thirty days, which Directors so elected shall hold their offices until the time prescribed for the next regular election. All elections for Directors and other offices shall be held in the State of Texas, and a majority of the Board of Directors and the principal officers of said Company shall be residents of the State of Texas.

Sec. 14. That the Company is hereby required, at all reasonable times, and for a reasonable compensation, to draw over their road the freights, passengers, merchandise and cars of the Buffalo Bayou, Brazos and Colorado Railway Company, or of any other railroad

corporation which has been or may hereafter be authorized by the Legislature to enter with their railroad, and connect with the railroad of this Company, under the rules and restrictions prescribed in the general railroad laws and this charter; and if the respective companies shall be unable to agree upon the compensation aforesaid, it shall be the duty of the President of each company to select each one man as a commissioner, and the two Commissioners so selected shall choose a third in case of disagreement, neither of whom shall be a stockholder in either road or interested therein, and they shall fix the rates, which shall not be changed for one year from the time of going into effect; the said Commissioners shall also fix the stated periods at which said cars are to be drawn as aforesaid, having reference to the convenience and interests of said corporations and the public who shall be accommodated thereby. The right or power is specially conferred on this Company, to connect with any railroad company heretofore or hereafter chartered by this State, for the performance of like transports, and in case of disagreement between companies, the same shall be referred and settled as aforesaid, to be binding for one year as aforesaid.

Sec. 15. That this Company may adopt the same guage that is used by the Buffalo Bayou, Brazos and Colorado Railroad Company, and shall be subject to the provisions and entitled to all the rights, privileges and benefits accruing from any general law or laws which have been or may hereafter be enacted by the State to encourage the constructing of railroads, in the same manner and to the same extent as if the guage of said road was the same now fixed, or which may be hereafter fixed upon by this State. That this Company shall have the right, under this charter, within three years after the passage of this Act, to construct a section of the road from Columbia, on the Brazos River, to such point in Wharton county as may be designated by a majority of the stockholders residing in the counties of Brazoria and Wharton. And the company building this section of road shall keep their office at Columbia, in Brazoria county. That this act take effect from its passage, and shall expire in ninety years, unless it shall be renewed or extended.

Passed September 1st, 1856.

AN ACT

To amend an Act entitled "An Act to incorporate the Houston Tap and Brazoria Railway Company," passed September 1st, 1856.

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That the fifteenth section of the act passed September 1st, 1856, to incorporate the Houston Tap and Brazoria Railway Company, be amended so that the same shall hereafter read as follows:

"SEC. 15. That this Company may adopt the same guage that is used by the Buffalo Bayou, Brazos and Colorado Railroad Company, and shall be subject to all the rights, privileges and benefits accruing from any general law, or laws, which have been, or may hereafter be enacted by the State, to encourage the construction of railroads, in the same manner and to the same extent as if the guage of said road were the same now fixed, or which may hereafter be fixed upon by this State. That this Company shall have the right, under this charter, until the first day of September, 1861, to construct a section of the road from Columbia, on the Brazos river, to such point in Wharton county as may be designated by a majority of the stockholders residing in the counties of Brazoria and Wharton, and the company building this section shall keep their office at Columbia, in Brazoria county. That this act take effect from its passage, and shall expire in ninety years, unless it shall be renewed or extended.

SEC. 2. This company shall have no right to object to a change of the guage of the Buffalo Bayou, Brazos and Colorado Railroad Company by said company.

SEC. 3. That this act take effect from and after its passage.

Approved January 23d, 1858.

AN ACT

To amend an Act entitled An Act to Incorporate the Houston Tap and Brazoria Railway Company, passed September 1st, 1856, and for relief.

SECTION 1. *Be it enacted by the Legislature of the State of Texas,* That the Houston Tap and Brazoria Railway Company, chartered by act of incorporation, passed by the Legislature of the State of Texas, on the 1st day of September, 1856, be, and is hereby declared to be, entitled to receive all the benefits of an act entitled, "An Act to provide for the investment of the Special School Fund, in the bonds of Railroad Companies, incorporated by the State, passed August 13th, A. D. 1856;" and an act to amend the third section of an act entitled "An Act for the investment of the Special School Fund in the bonds of Railroad Companies, incorporated by the State," passed August 26th, A. D. 1856, as fully and to the same extent as any other Railroad Company of this State.

SEC. 2. That the Treasurer of the State be, and he is hereby, required to pay to the Houston Tap and Brazoria Railway Company, or its authorized agent, the three warrants drawn on him, and signed by the Governor and Attorney General of the State, one of said warrants dated Austin, Texas, June 22d, 1859, for ($150,000) one hundred and fifty thousand dollars; one dated Austin, September 8th, 1859, for ($30,000) thirty thousand dollars; and one dated Austin, September 30th, 1859, for ($30,000) thirty thousand dollars, which together comprise the sum of two hundred and ten thousand dollars, heretofore drawn upon him, under the provisions of the acts providing for the investment of the Special School Fund in the bonds of Railroad Companies upon their compliance with the requirements of said acts.

SEC. 3. That this act take effect and be in force from and after its passage.

Approved December 17th, 1859.

AN ACT

To provide for the sale of the Houston Tap and Brazoria Railway.

SECTION 1. *Be it enacted by the Legislature of the State of Texas,* That in order to secure, as far as practicable, the indebtedness of the company owning the above named railroad, to the State of Texas, and save that portion of the common school fund from entire loss, the Governor of the State is hereby authorized and required to sell said railway, together with all the rights and property of the Houston Tap and Brazoria Railway Company, at the time, upon the terms and in the mode provided in the following sections of this act.

SEC. 2. In view of the depreciated and constantly decreasing value of said property, the sale shall take place within ninety days from and after the final passage of this act. Due notice for said sale shall be given by the Governor for at least thirty days previous to the day of sale, of the time, terms and conditions of such sale, by publication in a newspaper published in the City of New York, and a newspaper published in the city of New Orleans, and in three newspapers published in the State of Texas.

SEC. 3. Said sale shall be made at the front of the capitol, in the city of Austin, and shall be conducted by the Governor, or by some one appointed by him for that purpose. It shall be to the highest and best bidder for cash; and the Governor is authorized and required to execute and deliver to such purchaser a deed of conveyance to the property so sold, whenever such purchaser shall have entered into good and sufficient bond, payable to the Governor of the State, in the sum of ($50,000) fifty thousand dollars, conditioned that such purchaser will keep said railway in running order, and will not remove, or caused to be removed, any of the iron from the track of said railway, or any of the rolling stock therefrom; provided, that the Governor of the State shall be authorized to purchase said railway, if, in his discretion, he may deem [it] necessary to protect the interests of the State; provided further, that should said railway, when offered for sale to the highest bidder, not bring the sum of ($100,-

000) one hundred thousand dollars coin, the Governor is hereby authorized to purchase the same for the State.

SEC. 4. The proceeds of the sale, after paying all the neccessary expenses thereof, shall be deposited in the treasury of the State, with the common school fund and as a part thereof.

SEC. 5. All laws and parts of laws conflicting with this act are hereby repealed; and this act shall take effect and be in force from and after its passage.

Approved August 15, 1870.

JOINT RESOLUTION

Authorizing His Excellency, the Governor of the State, to Dispose of the "Houston Tap and Brazoria Railroad."

SECTION 1. *Be it resolved by the Legislature of the State of Texas*, That His Excellency, the Governor of the State, be, and he is hereby authorized to dispose of the "Houston Tap and Brazoria Railroad," now in possession of the State. The disposition of said road to be by public or private sale, upon such terms and to such parties as he may deem best for the security of the school fund of the State; *provided*, that no sale or transfer shall be made to any parties until thirty days from the passage of this joint resolution, and not for less than the actual value of the iron on the track; *and provided further*, that the Governor may give the citizens residing on said road, or tributary to it, the preference of buying said road, so that the rails of said road may not be removed from the track of said road, as at present located.

SEC. 2. That this resolution take effect and be in force from and after its passage.

Approved May 18, 1871.

AN ACT

TO INCORPORATE THE HUNTSVILLE BRANCH RAILWAY COMPANY.

SECTION 1. *Be it Enacted by the Legislature of the State of Texas*, That Sanford Gibbs, W. A. Oliphant, W. A. Rawlings, J. H. Banton, J. H. Thomason, Michael Butler, M. H. Goddin, R. M. Bankhead, Strother Green, John Courtade, H. C. Oliphant, J. P. Nixon, and G. W. Grant, be and they are hereby appointed Commissioners to open books and receive subscriptions to the capital stock of a corporation, to be styled the "Huntsville Branch Railway Company." A majority of said Commissioners shall constitute a quorum to do business, and shall meet in the town of Huntsville, within twenty days after the approval of this Act, or as soon thereafter as a majority thereof may agree upon; and they may appoint one or more of their own body, and such other agents as they may select, to open books at such place as they may direct, to receive subscriptions for the stock of said Company; and the said Commissioners shall hold meetings from time to time as their business may require, until Directors shall be selected, as hereinafter provided for. In receiving subscriptions for said capital stock, they shall require five per cent. thereof to be paid at the time of subscribing, whether to one of their own number or an agent appointed by them; and any subscription to said stock, upon which the amount of five per centum is not paid, shall be void, and the party receiving the same on the part of the Company shall be responsible to it for said five per cent. upon said stock; provided that certificates of said stock shall not be assignable until after the organization of said Company.

SEC. 2. That the subscribers to said capital stock, whenever they shall have selected Directors, are hereby created and established a body corporate and politic, under the name and style of the "Huntsville Branch Railway Company," with capacity in said corporate name to sue and be sued, to plead and be impleaded, to have succession and a common seal, to make contracts, to grant and receive, to make by-laws for its government, and generally to do and perform all things necessary or proper to the maintenance of its rights under

this Act, and not inconsistent with the Constitution of this State and of the United States.

SEC. 3. The capital stock of said Company shall not exceed one million of dollars, to be divided into shares of fifty dollars each; each share to entitle the owner thereof to one vote, either in person or by proxy, in all elections and meetings when the stockholders are called upon to vote, and a majority of the votes shall govern in all cases not otherwise provided by law; the said shares of stock shall be deemed personal estate, transferable only on the books of the Company, by person or by proxy.

SEC. 4. The direction and control of the affairs of said corporation shall be vested in a board, of not less than five nor more than nine Directors, as the By-Laws may provide. They shall be chosen by the stockholders at their annual meetings, the first of which shall be holden within one year after the passage of this Act, at such time and place as the corporators herein named shall designate. Said Directors shall select one of their own body to be President of said Company; shall fill vacancies in their board, appoint a Secretary, Treasurer, and such other officers and agents as they may deem proper; and require bond for the prompt and honest discharge of their duties, and make all proper rules for the holding of their meetings, and all other rules not inconsistent with the general laws, which they may deem necessary to protect the interests of the Company. They shall cause to be kept accurate books of accounts, exhibiting the receipts and expenditures of the Company. A majority of the Directors shall constitute a quorum to do business, and shall have the power of a full board; and all conveyances and contracts in writing, signed by the President and countersigned by the Secretary, or any other officer duly authorized by the Board of Directors, under the seal of the Company, when the same is in execution of an order of the board, shall be binding and valid.

SEC. 5. That so soon as ten thousand dollars of the capital stock of said Company is subscribed, and five per cent. thereof paid to the Commissioners, they shall cause the first election to be held for Directors, first giving notice of the time and place of such election, by publication in all the newspapers printed in the town of Huntsville, in Walker county, Texas; and when said Directors so elected shall have organized, the said Commissioners shall pay over to the Treasurer of the Company all the moneys they have received upon subscriptions to

the stock of the Company, and deliver to the said Directors all the books and papers belonging to the Company.

Sec. 6. That said Company, when it shall be organized under the provisions of this act, shall be and is hereby invested with the right of locating, constructing, owning, operating and maintaining a railroad, commencing at a convenient point on the Houston and Great Northern Railroad, and running thence by the most eligible route to the town of Huntsville, in Walker county, Texas; provided that this road shall not intersect at a point nearer than ten miles from the point of intersection of the Hempstead, Eastern and Western Trunk Railroad; and provided further, that the said railroad shall make its connection with the Houston and Great Northern Railroad before said branch road shall be commenced.

Sec. 7. That said Company after its organization, in pursuance of this act, under the Board of Directors, shall have power to receive further subscriptions to the capital stock of said Company, until the whole amount shall have been subscribed; but five per cent. of its subscriptions shall be paid at the time of subscribing, and the Directors shall be personally liable to said Company for five per cent. of all such subscriptions as they may receive without such payment; provided, however, that said Company may, by a vote of a majority of the votes of the stockholders, issue certificates of stock, to be issued in payment of any debt contracted for the construction or equipment of said road. Any agreement in writing to subscribe for stock may be enforced according to its terms, and if any subscriber shall fail to pay any amount due upon shares subscribed for by him, according to the terms of his subscription, the Directors may sell at auction, after giving thirty days notice, as required at sheriffs' sales, and transfer the shares of such delinquent to the purchaser; and if the proceeds of such sale shall not be sufficient to pay the amount due, with interest and charges, said delinquent shall be liable to the Company for such deficiency; but if the proceeds shall exceed the amount due, with interest and charges, he shall be entitled to the excess, such sale to be made in the town of Huntsville.

Sec. 8. It shall be lawful for said Company to enter upon and purchase, or otherwise take and hold, any land necessary for the purpose of locating, constructing and maintaining said railway, with all the necessary depots and other buildings connected with said railway; and if they shall not be able to obtain such lands by agreement with the owners thereof, they shall pay such compensation as shall

be determined, in the manner provided in the following section. The land so taken for the road-bed shall not exceed fifty yards in width, and for depots and other buildings, only such width as shall be absolutely necessary.

Sec. 9. Any person whose land has been taken as aforesaid, may apply to the chief magistrate of the county where the land is situated, for the appointment of three freeholders, and said magistrate shall thereupon appoint a time and place to hear the applicant and the Company, to whom shall be given reasonable notice of such time and place; and said freeholders shall, after being sworn, and having heard the parties, determine the compensation to be paid to the applicant, and make return of their award to the next regular term of the District Court of said county; and said award may be confirmed, or for any sufficient reason it may be set aside by said Court, and if it be confirmed, judgment shall be rendered thereon as in other cases. In determining the compensation to be paid as aforesaid, the said freeholders shall be governed by the actual value of the land at the time it was taken, and shall consider the injury and benefit which would result to the adjoining land of the applicant by the establishment of the railroad; and if the benefit shall exceed the injury the applicant shall receive nothing, but shall pay the cost.

Sec. 10. The said Company, in its charges for freight and passengers, shall be governed by the general railroad law; it shall have the right to cross all public highways, and streets of towns and cities, that it may be necessary to cross to establish said railway.

Sec. 11. That said Company shall have the right to connect their road with the Houston and Great Northern Railroad at such point as they may elect; provided that the road be compelled to make a full stop before crossing the Houston and Great Northern Railroad, or any other road.

Sec. 12. That said Company shall have power to borrow money, and issue its bonds with or without mortgage; provided that the same be done in conformity to the laws of the State, this Act of Incorporation and the By-Laws of the Company.

Sec. 13. The annual meeting of the stockholders of this Company shall be held at such time and place as may be designated in the By-Laws, which shall be a day for the transaction of business by the stockholders, at which time the annual election for Directors shall take place. Should the stockholders owning a majority of the stock

fail to meet on that day, the Directors may appoint another day for such election, and an election held on the day appointed shall be valid. Directors elected under the provisions hereof shall hold office until the next annual meeting, and until their successors are chosen and qualified.

SEC. 14. This Company shall be subject to all general laws now in force, or which may hereafter be in force, in regard to running over the road of one company by another, when the public interests or the interests of commerce require it, and may form a junction and connect with another road, in such manner as may best and most certainly secure the construction of their railway.

SEC. 15. This charter shall remain in force for the period of fifty years from the date of completing said road, provided the conditions set forth are fully complied with, and provided further, that the Branch Road shall be completed in one year after the Great Northern reaches a point opposite Huntsville.

SEC. 16. The subscriptions for stock may be paid in land, provided that the owner of land who desires to pay for his stock with the same, shall pay the full amount of his subscription in lands at the time of subscribing, at such price as may be agreed upon by the subscriber and the person receiving such subscription; provided, the title shall not vest in the Company till the road is completed from its junction to the town of Huntsville.

SEC. 17. That said Company shall have the right of extension, under this charter, from the Houston and Great Northern Railway, either eastwardly or westwardly, or both, to make connections with railroads first reached in those directions.

SEC. 18. This Act shall take effect and be in force from and after its passage.

Approved April 4th, 1871.

AN ACT

TO INCORPORATE THE VICTORIA AND COLUMBIA RAILROAD COMPANY.

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That George F. Rogers, Thomas Strime, Richard Owens, H. S. Gaylord, C. L. Thurmond, C. Cussner, John Ragland, A. F. Hall, James Kurs, John Brownson, Charles Wiesing, J. L. Nicholds, A. H. Cromwell, D. F. Williams, J. E. Ferguson, Wm. M. Varnell, T. W. House, William Brady, A. Gissumo, James Mitchell, A. J. Burke, E. H. Cushing, J. S. Sellers, J. M. Swishm, John Sealy, Gustave Ranger, John Duncan, John Rugeley, I. N. Dennis, Geo. Quinan, John W. Brooks, John Adriance and associates be, and they are hereby created a body corporate and politic, under the name and style of the "Victoria and Columbia Railroad Company," and they are hereby appointed Commissioners to open books and to receive subscriptions to the capital stock of said Company. That they shall receive no subscriptions to said capital stock, unless five per cent. thereon be paid in cash at the time of subscribing, and if they, or either of them shall receive subscription to said stock without five per cent. being paid as aforesaid, the said Commissioner or Commissioners who shall do so, shall be personally liable for the payment of said five per cent. on the amount of stock so subscribed to the corporation when organized. A majority of said Commissioners shall constitute a quorum to do business, and they may hold their meetings at such times and places as a majority shall determine; provided that public notice be given of all meetings, in some newspaper published in Victoria county, or such other paper as they may previously agree upon, at least thirty days before any such meeting.

SEC. 2. Whenever two hundred thousand dollars of the capital stock of said Company shall have been subscribed for, and five per cent. thereof paid in, as contemplated in the first section, the stockholders shall be called together by said Commissioners, and an election held for President and Directors of said Company (thirty days' notice of said meeting to be given in the manner pointed out in first section); and at said election and all other elections held by the stock-

holders, there shall be but one vote cast for each share, which may be owned by the holder thereof, or by proxy. And whenever the said Victoria and Columbia Railroad Company shall be organized by the election of President and Directors, it shall have the power and capacity, in said corporate name, to make contracts, to have succession and a common seal, to make by-laws for the regulation and government thereof, to sue and be sued, to plead and be impleaded, to grant and receive; and general powers to do and perform all such acts as may be necessary and proper for or incident to the fulfillment of its obligations, and attaining the ends for which it is created, and for the maintenance of the rights and privileges of said Company under this Act, if not in violation of the Constitution and laws of this State, or of the Constitution or laws of the United States.

Sec. 3. The capital stock of said Company shall be two millions of dollars, with the privilege of increasing the same to three millions. The said Corporation is hereby given the power and right of locating, constructing, owning and managing a railway, commencing at the town of Victoria, in Victoria county, at such point east or north of San Antonio and Mexican Gulf Railroad, as the said Company may deem proper, so as not to interfere with any houses that now exist, or the lots on which they are built, without the approbation of the owners thereof, and running thence by the most suitable routes or line to the Brazos river, at the town of Columbia, in the county of Brazoria, or commencing at Columbia, on the Brazos river, and run on the most practicable route to the town of Victoria, terminating at or near the San Antonio and Mexican Gulf Railroad, as the Directors may deem proper, or the interest of the Company require. The said Victoria and Columbia Railroad Company shall have the right and privilege of constructing bridges across any intervening river, or water-course, between the town of Victoria and Brazos river, to enable them to carry out the objects of this Act; provided said bridges are so constructed as not to impede or in any wise obstruct the navigation of any of said water courses, or rivers, that are navigable. That the capital stock of said Company shall be divided into shares of one hundred dollars each, each share thereof entitling the holder or owner to one vote in person, or by proxy (as hereinbefore named), at all meetings of said Company for the transaction of business. Said shares are to be held and considered as personal property, and may be sold or transferred in any manner provided by the by-laws of the Company, the transfer to be recorded in a book to be kept for said purpose, and subject to inspection by any person

interested; and the President and Directors shall, at their first meeting after the organization of the Company, or as soon thereafter as practicable, establish by-laws for the government of the corporation, and publish the same in some newspaper at Victoria or Houston. The Board of Directors shall have the immediate control and management of the affairs of said Company, and shall be elected as follows: The stockholders shall, at the meeting named in the second section, vote for one person as President, and for six others as Directors, and no person shall be eligible as President or Director unless, at the time of the election, he is owner of at least three shares of the capital stock of said Company, and shall have paid in the amount required on said stock.

SEC. 4. In all meetings of the Directors, a majority shall constitute a quorum to do business. The President shall preside at all meetings, and in his absence from any cause, the Directors shall appoint one of their number President, *pro tem.* The President shall have no vote on any question before the Directors, except in case of a tie (or when the Directors are equally divided in opinion), in which case he shall have the casting vote. The Directors shall have the power to appoint a clerk, treasurer, and all other officers and servants necessary to enable the Company to fulfill the objects for which it is created, and require bonds, with good and sufficient surety, for the performance of their several duties, in such amounts as they may fix by their by-laws, and they shall have power to fill any vacancy in their own body by electing a suitable person, or persons, from among the stockholders. The President and Directors shall hold their office for two years, and until their successors are elected and qualified. After the first election, an election for President and Directors shall be held by the stockholders on the first Saturday in November, every second year after said first election, or as soon thereafter as practicable; and each President and Director, before entering upon the duties of his office shall take and subscribe an oath, before some person authorized to administer oaths, to well and truly perform the duties of his office to the best of his ability and understanding. They shall keep, or cause to be kept, correct records of the meetings and proceedings of the Directors and stockholders of the Company, and accurate books, and accounts of all the receipts and expenditures of the Company, and all other books and accounts necessary to be kept by such Companies, which books shall be open to the inspection of all the stockholders and other parties interested. A quorum of the Board of Directors shall have all the powers of a full board. All conveyances

and contracts, signed by the President and Treasurer, or by any other person authorized by the Directors, under the seal of the Company, and in pursuance of a vote of the Directors, shall be valid and fully binding.

Sec. 5. At the first meeting of the Directors, and after their election, as required in the second section, the Commissioners shall pay over to the Directors all the funds they may have received for the stock, and said Directors shall have power to receive further subscriptions to the capital stock of said Company, from time to time, until the whole amount of the capital stock shall be subscribed; and five per cent. of all subscriptions shall be paid at the time of subscribing, and the Directors shall be personally liable for the five per cent. on the amount of stock subscribed to the stockholders, for all stock subscribed without the payment of said five per cent. Provided, that said Directors, by a concurrent vote of a majority of the stockholders, may cause certificates of stock to be issued in payment of any debt or liability contracted for the construction or equipment of their road; and any agreement, in writing, whereby any person shall become a subscriber to the capital stock of said Company, shall be enforced against him, in accordance with its terms. If any subscriber shall fail to pay any amount due upon any shares subscribed for by him, according to the terms of his subscription, the Directors may, after twenty days notice, sell at auction the shares so subscribed for by the delinquent, and transfer said shares to purchasers thereof. If the proceeds of said sale be not sufficient to pay the amount due, with interest and charges, the delinquent shall be held liable to the Company for the deficit; but if the proceeds exceed in amount of liability, he shall receive the excess.

Sec. 6. It shall be lawful for the Company to purchase and hold any land that may be necessary for the purpose of constructing and maintaining said railway, with all depots and other buildings, and by their engineers or agents enter upon and take possession of all such lands as may be necessary for the locating, constructing and maintaining said railway; and if they shall not be able to obtain said lands by agreement with the owner or owners thereof, they shall pay such amount for the same as shall be determined in the manner provided in the following section. The land so taken for the railroad, shall not exceed in width fifty yards, and for depots and other buildings, only such further width as may be necessary.

Sec. 7. Any person from whom lands may be taken for the pur-

poses set forth in the preceding sections, may apply to the District or County Court where the land is situated, for the appointment of appraisers, and said Court, after proof that the President and Directors of the Company have been notified of such application ten days before holding said Court, shall appoint three disinterested freeholders of the county, who shall appoint and fix a time for hearing the complaint, and the Company, to whose President a reasonable notice shall be given of the time and place of hearing the application, shall attend the meeting in person or by an authorized agent or attorney; the freeholders, after being duly sworn, shall hear the application and determine the amount of damages to be awarded the party or parties whose land has been appropriated by the Company, and make return thereof to the Court from whence the order emanated, or by which the commission of freeholders was appointed; provided, that when the amount of the award exceeds the jurisdiction of the County Court, the return shall be made to the District Court at its next session, and the Court where said return shall be made shall act thereon summarily and confirm or reject the award of the freeholders, in the same manner as awards of arbitrators in ordinary cases. In determining the amount of compensation to be paid as aforesaid, the freeholders shall be governed by the value of the land at the time it was taken; taking into consideration the injury or benefit done to other neighboring lands of the owner by the establishment of said railroad. If, in any case, the amount found by the arbitrators shall not exceed the sum offered by the Company, as shown on the trial, to the owner prior to his application to the Court, the owner shall pay the costs of the proceedings; otherwise the costs shall be paid by the Company.

Sec. 8. That the said Company shall be authorized to borrow money and issue the bonds thereof and negotiate the same by sale or otherwise, as the interest of the Company may render meet and proper.

Sec. 9. Upon the application in writing of one-fourth of the stockholders, the President shall call a meeting of the stockholders and Directors; and upon the demand of two-thirds of the stockholders the President shall remove any one, or all the Directors, and order a new election; and the President shall, upon the application of two-thirds of the stockholders, be removed by a majority of the Directors concurring; and in such event, the Directors shall appoint one of their number President *pro tem.*; and the said President *pro*

tem., shall order an election for a President, to fill out the unexpired term of the President removed. Notice of thirty days shall be given of all elections, by publication in some newspaper published at Victoria, Columbia or Houston.

SEC. 10. The Company is hereby required, at all reasonable times, and for reasonable compensation, to draw over their road the passengers, merchandise and cars of any other railroad company which has been, or may be hereafter, authorized by the Legislature to enter with their railroad and connect with the railroad of this Company; and if the respective companies shall not be able to agree upon the compensation aforesaid, it shall be the duty of the Presidents of said companies each to choose a disinterested person, who is not a stockholder in either of the corporations, and if the two cannot agree, they may call in a third disinterested person to decide, as umpire, and they shall fix the rates, which shall not be changed in twelve months after the time of going into effect. The aforesaid Commissioners or Referees shall also determine the periods when said cars, merchandise and passengers are to be drawn over said road, as aforesaid, having in view the interest and convenience of the corporations and the public that may be accommodated thereby. The right and power is also conferred on this Company to connect and contract with any railroad heretofore chartered, or that may be chartered hereafter by this State, for the performance of like transport of passengers, merchandize and cars; and in case of disagreement of the companies as to the right, the same shall be referred to and settled by Referees or Commissioners, as aforesaid, for the same time with same effect.

SEC. 11. That, in order to assist this Company in the construction and putting in running order the railroad as herein contemplated, a donation or bonus of sixteen sections of land (of six hundred and forty acres each) to each mile of railroad which the Company may construct and put in running order, and the Commissioner of the General Land Office is authorized and required to issue to the President and Directors of said Company certificates for said sixteen sections, of six hundred and forty acres each, for each mile, whenever twenty-five miles of said railroad are completed and put in running order; and for every succeeding twenty-five miles of said railroad so completed and put in running order, a like number of certificates for a like amount of land shall be issued from time to time, until the road is completed, and sixteen sections to the mile are received for each mile thereof.

SEC. 12. That the railroad herein named shall be commenced on or before the first day of January, 1868, and twenty-five miles thereof put in running order by the first day of January, 1870, or this franchise shall be forfeited.

SEC. 13. That in order to render the Victoria and Columbia Railroad more useful to the public, power and authority is hereby given the said Railroad Company to construct a bridge across the Brazos river at such point, at or near the town of Columbia, as the Directors of said Company may determine, so as to form a connection with the railroad now in existence from Columbia to Houston; provided the said bridge be so constructed as not to impair or obstruct the navigation of said Brazos river.

SEC. 14. That this Company shall be subject to the provisions, and entitled to the benefits, of any general provisions or laws which have been, or may hereafter be, enacted by the Legislature regulating or encouraging the construction of railroads.

SEC. 15. That the Victoria and Columbia Railroad Company shall have the privilege of fixing the eastern terminus of their road at the town of Wharton, in Wharton county, and to connect with any company, in order to complete their railroad, that they may be able to make arrangements with, consistent with the interests of said companies; and that the further privilege be given said Railroad Company of consolidating or uniting with any other railroad company having a charter, to construct a railroad from Columbia, to Wharton, or to any other place west of Columbia, and in the direction of Victoria; provided that nothing herein contained shall authorize said Company to stop short of Victoria, and that this act shall be in force for twenty-five years, and shall then expire, unless revived or extended, and shall be in force and have effect from and after its passage.

Approved November 13, 1866.

AN ACT

Supplementary to "An Act to incorporate the Victoria and Columbia Railroad Company," approved November 13, 1866.

SECTION 1. *Be it enacted by the Legislature of the State of Texas,* That the charter of said Company, approved November 13, 1866, is hereby revived and made valid; and in order that no doubt may exist as to the validity of said charter, and all the rights and privileges therein conferred, the same is hereby recognized as being in full force and effect, except the rights and privileges contained in Section 11 of said original charter.

SEC. 2. The time for the commencement of the railroad named herein and provided for in the Twelfth Section of the above recited act, to which this is a supplement, is hereby extended to the first day of January, 1872, and said Company shall have the right to complete the first twenty-five miles of said road, and put the same in running order, by or before the first day of January, 1873, any provision in the said act to the contrary notwithstanding.

SEC. 3. That John Duncan, E. S. Rugeley, A. H. Cromwell, Richard Owens, Thomas M. Harwood, Richard King, and William P. Hardeman, are hereby named as Commissioners to organize said Company pursuant to the terms of said charter. The Commissioners heretofore named and appointed in the First Section of said act having failed to organize the same, and all the rights, powers and duties granted to or required of the Commissioners appointed in the First Section of said act by the terms thereof, are hereby conferred on, and required of, the said Commissioners herein named.

SEC. 4. Said Company are hereby authorized to extend their railroad from the town of Victoria to the Rio Grande river, striking said river at or below Laredo, and to this end are hereby granted the right of way from the town of Victoria to the Rio Grande river, upon the same terms and conditions as that part of their line from Columbia to Victoria, and all the rights, privileges and interests of every character granted in said original act, for that part of said road between Columbia and Victoria, are hereby conferred and vested, in every respect whatsoever, upon that part of their line beyond Victoria to the Rio Grande river, so that the same shall be in effect one and the same line; and the said Company are hereby authorized to enlarge their capital stock to ten millions dollars.

SEC. 5. Said Company are further authorized to construct branch railroads from any points on their main line to such points on the Gulf of Mexico as they may deem best, provided said branch railroads do not affect injuriously any roads now chartered; said branch railroads to be entitled to all the rights and privileges, and subject to all the restrictions relating to their said main line.

SEC. 6. If the State of Texas hereafter passes any general law, the object of which is to aid in the construction of railroads, thereupon the Company owning this charter will be invested with all the rights and privileges conferred by said law on any other Company.

Approved August 13, 1870.

AN ACT

To consolidate the Houston Tap and Brazoria Railway, the Huntsville Branch Railway, and the Victoria and Columbia Railroad with the Houston and Great Northern Railroad.

WHEREAS, The Houston and Great Northern Railroad Company are the owners, by purchase at sale on foreclosure of mortgage by the State, and otherwise, of the Houston Tap and Brazoria Railway; and

WHEREAS, Said Houston and Great Northern Railroad Company own all the stock of the Huntsville Branch Railway, and are operating eight (8) miles of road under the charter thereof; and

WHEREAS, Said Houston and Great Northern Railroad Company are the owners of the stock of the Columbia and Victoria Railroad Company; therefore,

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That the Houston Tap and Brazoria Railway, and the Huntsville Branch Railway, and the Columbia and Victoria Railroad, are hereby made and declared to be, to all intents and purposes in law, a part of the Houston and Great Northern Railroad, and shall be under the control and management of the said Houston and Great Northern Railroad, in like manner as every other part of their railroad; and all rights, privileges and franchises granted or secured in the charter of either or all of the aforesaid corporations shall inure to and be exercised and enjoyed by the said Houston and Great Northern Railroad Company, as fully and to the same extent as they could have been by either of said companies; *provided* that nothing herein contained shall have any effect to relieve said consolidated company, or said Houston Tap and Brazoria Railway, from any debt or liability whatever, to which either of said roads may be liable without this act.

SEC. 2. *Be it further enacted*, That this act shall take effect from and after its passage.

Approved May 8th, 1873.

AN ACT

TO INCORPORATE THE INTERNATIONAL RAILROAD COMPANY, AND TO PROVIDE FOR THE AID OF THE STATE OF TEXAS IN CONSTRUCTING THE SAME.

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That James W. Barnes, T. W. House, John H. Burnett, Richard King, and David Bell, of the State of Texas, and Henry G. Marquand, Thomas W. Pearsall, Paul N. Spofford, J. N. A. Griswold, John S. Kennedy, Gardiner G. Howland, Edwin Thorn, H. W. Gray, Ianus A. Roosevelt, and Francis Skiddy, of the State and City of New York, Thomas Allen, of the City of St. Louis, Missouri, and Isham Cherry, of Texas, and their associates and successors, be, and they are hereby constituted and created a body corporate, by the name and style of "The International Railroad Company," and by said name shall have succession and a common seal, with capacity to make contracts, and in its said corporate name to sue and be sued, to grant and receive, to make by-laws for its general government and the management of its business, and generally to do and perform all such acts and things as may be necessary and proper for or incidental to the fulfillment of its obligation, or the maintenance of its rights under this act, consistent with the Constitution of this State, and of the United States; and the said above named corporators shall constitute a Board of Directors for the time being, a majority of whom shall constitute a quorum to do business, and shall meet at such time and place as may be designated by a majority of the corporators above named, and from their own number shall elect a President and Vice-President, and appoint a Secretary and Treasurer, and such other officers as they may deem necessary for their organization, who shall hold their offices until their successors are elected, as hereinafter provided.

SEC. 2. Said Company is hereby authorized to construct, own and maintain, and to equip and operate a continuous line of railway, with a single or double track of four feet eight and one-half inches

guage, as well as a telegraph line from such point on Red River as nearly opposite the town of Fulton, in the State of Arkansas, as may be found expedient in forming a junction with the railroad known and designated as the "Cairo and Fulton Railway," now being constructed from a point on the Mississippi river, opposite Cairo, Illinois, to said town of Fulton, by the most practicable and expedient route across the State of Texas, by way of the cities of Austin and San Antonio, to the Rio Grande river, at such point at or near Laredo as may be selected by said Company as affording the best facilities for a continuation of said railroad to the City of Mexico and to the Pacific Ocean, at or near San Blas or Mazatlan; and, in the event that it shall not be expedient or practicable to build said road so as to touch the City of Jefferson, in Marion county, Texas, said Company is further authorized to construct, have, hold and operate a railway and telegraph line from a point at or near the said City of Jefferson, in the State of Texas, northwesterly from Jefferson, not to exceed thirty miles in length, to such point of intersection with said main trunk line as may be found most suitable and convenient to facilitate the speedy construction of said main trunk road; and said Company may commence and carry on the construction of its railroads from such point or points on its main trunk line as may be found convenient for the transportation of material and supplies, by means of intersecting railroads built and to be built, and by navigable streams in the State of Texas.

Sec. 3. The State of Texas hereby grants to said Company the right of way, to the extent of two hundred feet in width, over all lands in the State along the line of its railroad for the tracks thereof, and the use of such amount of said lands as may be actually necessary for sidings, turnouts, depots, station-houses and machine shops, and for the location and maintenance of wells, water tanks, and other necessary buildings incidental to its uses and purposes in the construction and operation of said railway; also the right to take from all lands belonging to the State, within five miles of the located line of its said railroad, such timber, rock, earth and other materials as may be needed for the construction and operation of its railroad; also the right to cross and bridge all rivers and water courses, and construct, operate and maintain ferries along said line, subject to the laws of the State in regard to the navigation thereof, including herein the right, so far as the jurisdiction of the State extends, to bridge said Red and Rio Grande rivers; also, the right to cross the track of any other railway along said line which it may intersect.

SEC. 4. It shall be lawful for said Company to enter upon and purchase, and otherwise take and hold any lands necessary for the purpose of establishing and constructing said railway, and all necessary depots, sidings, turnouts, machine shops and other buildings; and if they shall not be able to obtain said lands by agreement with the owners thereof, they shall pay such compensation as shall be determined in the manner provided by the following section: Provided, that the land so taken by the road-bed shall not exceed two hundred feet in width—and for depots, turnouts, machine shops and buildings, only such further width as may be needed for such purpose.

SEC. 5. Any person or persons whose land has been taken as aforesaid, without agreement or satisfactory compensation, may apply to the District Court of the county in which said land is situated for the appointment of appraisers, and said Court shall thereupon appoint three disinterested freeholders of said county, who shall appoint a time and place to hear the applicant and said Company, to whom shall be given by said freeholders reasonable notice of the time and place of said hearing; and said freeholders shall, after being duly sworn, and after due hearing of the parties, determine the amount of compensation, if any, to which the applicant may be entitled, and make return of their award at the next succeeding term of said Court; and said award, if not rejected by said Court for sufficient cause then shown, shall be entered up as the judgment of said Court. In determining the question of compensation, said freeholders shall be governed by the actual value of said land at the time it was taken, taking into consideration the benefits or injuries done to other lands or property of its owner by the establishment of said railway, and if the amount of compensation awarded by said freeholders shall not exceed the amount offered by said Company to the owner prior to said application to the Court, the applicant shall pay the cost of the proceedings, otherwise the Company shall pay the same. During the inquiry as to the value of said land, or the damage done to the estate of the owner, said Company shall in no manner be molested or hindered in the prosecution of their work thereon, or occupation of the same, by any writ or process from any Court of this State, but all officers of the law are authorized and required to render prompt assistance to said Company in the premises.

SEC. 6. The capital stock of said Company shall not exceed twenty-five millions of dollars, divided into shares of one hundred

dollars each. Each share shall entitle the owner thereof to one vote, either personally or by proxy, at all meetings of the Company; provided, that any action or vote of three-fourths of said stock, expressed in writing or by vote at any meeting of said Company, shall be binding on all the stock of said Company; said shares shall be deemed personal estate, and shall be transferable by any conveyance in writing, recorded by the Secretary in the books of the Company, kept by him in his office, or in such other or further manner as the by-laws of said Company may provide; and said Company may establish an office for the transfer of its stock out of the State, under such rules and regulations regarding the same as may be deemed best and expedient, and as shall be provided in the by-laws of said Company.

Sec. 7. The immediate control and direction of the affairs of said Company shall be vested in a board of not less than five Directors, who shall elect from their number one President and one Vice-President. Whenever two millions of dollars of said capital stock of said Company shall have been subscribed, and five per cent. paid to the Directors hereby temporarily appointed, they shall call a meeting of said subscribers at such time and place as they shall appoint, and the subscribers shall proceed to elect said Board of Directors, who will thereupon elect their President and Vice-President, as herein provided, and proceed to the appointment of all such other officers and agents as said Board of Directors may consider necessary to the management of the affairs of the Company. The Directors shall have power to fill any vacancy in their body arising from death or any cause, and shall, at the time and place of said meeting, submit the by-laws of said Company for the ratification of the said stockholders; which by-laws shall provide all necessary rules for the holding of meetings and all other things considered to be necessary for the carrying out of the provisions of this charter and the business of the Company.

Sec. 8. The principal office of said Company shall be established at such point on the line of said railway as may be deemed most convenient for the transaction of its business, and may be moved from time to time to such places on said line as the progress of the work of construction may render expedient and necessary.

Sec. 9. In order to secure and promote the rapid construction of said railway, and thereby afford cheap and necessary facilities for emigration into the State, as well as speedy communication between

the northeastern and southwestern boundaries, and with the Eastern and Northern States, and to meet as soon as practicable the wants of the people of this State, in promoting the settlement of the vacant lands and the development of its resources, the State of Texas consents, binds and obligates itself to donate, and hereby grants to said Company the bonds of the State of Texas to the extent and amount of ten thousand dollars per mile for each mile of said railroad constructed under this charter; said bonds to be of the denomination of one thousand dollars each, payable to the Company or bearer in thirty years from the date thereof, with interest at the rate of eight (8) per cent. per annum, payable semi-annually, viz., on the first day of January and the first day of July of each year; said bonds to have coupons attached for each installment of interest which may become due—which said coupons shall be made payable upon presentation at the City of New York, through such agents of the State as the Governor may select and appoint to pay the same; said bonds shall be signed by the Governor and the Treasurer of the State of Texas, and countersigned and registered by the Comptroller, with the seal of the State of Texas affixed thereto, and shall be delivered by the Governor to the President or such other officer of said Company as shall be specially appointed to receive and receipt for the same, on the sworn statement of the Chief Engineer of said Company, and the written report of such officers or agents of the State as the Governor may have appointed for that purpose, that ten miles of said railroad have been completed in a thorough and substantial manner; which affidavit and report, together with the receipt for said bonds, shall be filed in the office of the Secretary of State; provided, that no bonds, under this act, shall be issued to said Company until it shall have completed at least twenty miles of said railroad, whereupon said bonds shall be issued and delivered for that amount of said railroad, and thereafter for every ten miles, according to the terms and conditions of this charter. The Comptroller of the State shall cause to be assessed a tax upon all taxable property, real and personal, in the State, and upon all occupations—proportioned to the taxes levied by general law on such property and occupations—a sum sufficient annually to pay the accruing semi-annual interest on said bonds, and two per cent. as a sinking fund; which said sum shall be assessed and collected, and deposited in the Treasury of the State, subject to the order of the Governor, to meet the payment of the interest coupons and the principal of said bonds as soon as and whenever the same shall become due; provided, that no greater tax

shall be assessed and collected by authority of this section than may be needed from time to time to pay said interest and sinking fund.

SEC. 10. As a guarantee of the good faith of the State, and to secure for the said State bonds to be issued to said Company under the provisions of this act the highest market value, the State of Texas, in consideration of the promises and the undertakings and agreements of said Company, as hereinbefore and hereinafter set forth and stated, hereby agrees, promises and binds itself not to issue or put in circulation by loans, endorsement or otherwise, its bonds or obligations for all works of internal improvements, including the donation herein made, to an amount exceeding twelve millions of dollars at any one time.

SEC. 11. Said Company shall have power, and is hereby authorized to borrow money, or purchase property upon its own credit, for the purpose of constructing and maintaining its railroads, and may issue its bonds and obligations therefor, payable at such time and place, and at such rates of interest, in the lawful money of the United States, or in the gold coin of the United States, or of any foreign country, as the Directors of said Company may elect; and to secure the payment of said bonds or obligations may mortgage its railroads, its capital stock, its corporate franchises, and any or all of its property, real and personal, or any part or portion thereof, in such manner and form as said Company or its Directors shall deem best and expedient.

SEC. 12. That the capital stock and property of said Company shall be exempt from the payment of all taxes within the State of Texas, of whatever name and nature, including State, county, town, city and municipal taxes, for the period of five years after the passage of this act.

SEC. 13. Said Company shall commence work upon its railroad within six months after the passage of this act, and shall complete at least fifty (50) miles of said main trunk within eighteen months after the passage of this act, and annually thereafter seventy-five miles, or one hundred and fifty miles every two years, on all said lines east of San Antonio, and west of that point to the Rio Grande river forty miles annually, or shall complete the same within four (4) years after reaching said City of San Antonio from the East. The railroad of said Company shall be thoroughly and substantially built, and fully equal to the standard of first class railroads in the United States. Its

iron rails shall be of weight not less than fifty pounds to the lineal yard, of approved pattern and good quality. It shall provide a good and sufficient amount of rolling stock for the prompt and efficient operation of its road, and shall establish depots and stations at such places as shall be conducive to the interests of the people and to the proper transaction of the business of the Company.

SEC. 14. Said Company shall have the right to connect itself with any other railroad company within or without the State, and, under such terms as it shall deem best, to operate and maintain its said railroad in connection or consolidation with any such other railroad Company.

SEC. 15. Any failure on the part of said Company to complete its railroad within the time as stated in this charter, shall work a forfeiture of all further rights and privileges under the same, provided that such failure on the part of said Company be not caused by domestic violence, epidemics, floods, or other acts of God. In case the Company chartered in this act shall at any time fail to construct the length of railroad, as hereinbefore specified, then the Governor is authorized to contract with any other corporation or company for the continued construction thereof, under the terms of this charter, or such part of said railroad as may not have been completed.

SEC. 16. The State expressly reserves the right to regulate the rates of freight and passage upon said railroad, making no distinction between said railroad and any other in said State. Until the same are changed, the rates of charges for freight and passengers shall be governed by the laws at present in force, and said Company shall be, and are hereby required, at all times, to transport all classes of people upon said railroad, upon equal terms and charges, without any distinction whatever.

SEC. 17. That this Act shall take effect and be in force from and after its passage.

Passed August 5th, A. D. 1870.

Articles of Association and Consolidation

BETWEEN THE

HOUSTON and GREAT NORTHERN RAILROAD COMPANY

AND

THE INTERNATIONAL RAILROAD COMPANY,

Articles of association, amalgamation, merger and consolidation by and between the Houston and Great Northern Railroad Company of the first part, and the International Railroad Company of the second; the said parties being corporations organized and existing under and by virtue of the laws of the State of Texas;

WITNESSETH THAT,

WHEREAS, The party of the first part was duly incorporated and organized for the purpose of constructing, owning, maintaining and operating a continuous line of railway, extending from the city of Houston, in Texas, to the Red River, connecting with the Memphis and El Paso Railroad, near Clarksville, and to extend the said railway to the city of Galveston, and also to form a junction and connect with any other railroad between Houston and Clarksville, or at either of its termini;

AND WHEREAS, The said party of the first part became the owners by virtue of their acts of consolidation, and by purchase at sale on foreclosure of mortgage by the State of Texas, and otherwise, of the property of the Houston Tap and Brazoria Railway Company, a corporation duly organized for the purpose of constructing, owning, maintaining and operating a line of railway from the city of Houston to the Buffalo Bayou, Brazos and Colorado Railway, near Harris-

burg, and running thence to such points on the Brazos river as may be found most suitable, and also to consolidate with any other railroad company, by a vote of a majority of the stockholders, converting the stock, assets and property with that of any other company into one railroad company;

And Whereas, The said first party by virtue of their act of consolidation, and by purchase, own all the stock, property, rights and franchises of the Huntsville Branch Railway Company, a corporation duly organized for the purpose of constructing, owning, maintaining and operating a railroad, commencing at a convenient point on the Houston and Great Northern Railroad, and running thence to Huntsville, in Walker county, in said State, and to make certain extensions and connections indicated by its charter;

And Whereas, the said first party by virtue of their act of consolidation, and by purchase, own all the stock, property, rights and franchises of the Victoria and Columbia Railroad Company, a corporation duly organized for the purpose of constructing, owning, maintaining and operating a railroad, extending from the town of Victoria, in Victoria county, to the Brazos river, in said State, and to make certain extensions and connections indicated by its charter;

And Whereas, The said Houston Tap and Brazoria Railway, and the said Huntsville Branch Railway, and the said Victoria and Columbia Railroad were consolidated with the Houston and Great Northern Railroad by act of the Legislature of the State of Texas, approved May 8, 1873, which said act declares the said roads to be, to all intents and purposes, in law, a part of the Houston and Great Northern Railroad, and under the control and management of the Houston and Great Northern Railroad, in like manner, as every other part of their railroad, and that all rights, privileges and franchises granted or secured in the charter of either or all of the aforesaid corporations shall inure to and be exercised and enjoyed by the said Houston and Great Northern Railroad Company;

And Whereas, The said party of the second part was duly incorporated and organized for the purpose of constructing, owning, maintaining and operating a continuous line of railway and telegraph, commencing at a point on Red River, opposite the town of Fulton, and extending across the State of Texas to the Rio Grande river, near Laredo, and to construct branch lines from Jefferson, in Texas, to connect with its main line, and also to connect itself with any other railroad company in or out of Texas, and to operate and maintain

its said railroad in connection or consolidation with any other railroad company;

And Whereas, The said parties hereto, believing that a consolidation and amalgamation of their capital stock, debts, properties, assets, roads, telegraphs, lands and franchises would be mutually advantageous, did agree to enter into a contract, so to consolidate their said companies, by an agreement bearing date the 19th day of February, 1872, and the said agreement was confirmed by the consent of more than three-fourths of the stockholders of the said companies parties hereto;

And Whereas, More than three fourths in value of all the stockholders in interest of each of said parties have consented, in writing, to such amalgamation and consolidation upon the terms and conditions hereinafter set forth;

Now, Therefore, Be it understood, that the said parties in consideration of the agreement and stipulations hereinafter set forth, mutually covenant and agree, each with the other, to the following articles, to-wit:

Article I. Said parties do hereby amalgamate, merge and consolidate themselves into a new corporation under the name and style of the International and Great Northern Railroad Company, which new corporation shall continue in existence for the longest period indicated in the charter of either of said companies, or of any extension thereof.

And they do further consolidate, merge and amalgamate their several capital stocks, debts, properties, assets, roads, telegraphs, lands, franchises, rights, titles, privileges, claims and demands of every kind whatsoever, as well in possession as expectancy, at law, or in equity, and do convey and invest the same in the said new corporation, as fully as the same are now severally held and enjoyed by them, or either of them, subject, however, to all conditions, stipulations, contracts, agreements, liens, mortgages, incumbrances, claims and charges thereon, or in any wise affecting the same.

Art. II. The object and purpose of said new corporation shall be to purchase, construct, own, maintain and operate all and each of the telegraph lines and railways hereinbefore stated.

Art. III. The Board of Directors of the said new corporation shall consist of fifteen persons, and the following named persons shall act as such Directors until their successors shall have been duly

elected pursuant to the by-laws of said new corporation: Moses Taylor, W. E. Dodge, H. G. Marquand, P. N. Spofford, T. W. Pearsall, W. W. Phelps, John S. Kennedy, John S. Barnes, Jacob S. Wetmore, T. W. House, W. M. Rice, W. J. Hutchins, G. A. Grow, James W. Barnes, C. Ennis.

Art. IV. The capital stock of the consolidated Company shall be twenty-five millions of dollars, divided into shares of one hundred dollars each, that sum being the contemplated cost of said railroad and telegraph lines, including rolling stock, motive power, depots, etc.

Art. V. Certificates of capital stock of the consolidated Company to the amount of five million five hundred thousand dollars shall be issued to the several stockholders of the Houston and Great Northern Railroad Company, and of the International Railroad Company, parties hereto, at par, in exchange for their stock in said companies, upon surrender of the certificates or other evidence thereof; five million five hundred thousand dollars of which said stock of the consolidated Company shall be divided between the companies in the following proportions, to-wit:

Twenty-five thousand shares to the International Company, and thirty thousand shares to the Houston and Great Northern Company, to be divided between their respective shareholders according to their respective interest.

This distribution of stock is made upon the assumption that the subsidy of ten thousand dollars per mile in Texas State bonds, granted to the International Railroad Company, is sure and certain, and that said subsidy, and the land grant obtained by the Houston and Great Northern Railroad Company are taken as an offset to each other in establishing the basis of consolidation.

In case, however, the International Railroad Company fail to secure the said subsidy of State bonds, then the stockholders of record of the Houston and Great Northern Railroad Company, at the date of February 19, 1872, shall be entitled to receive the said lands for one hundred miles of road; and such further issues of capital stock of said consolidated Company shall be made from time to time, as said companies so consolidated are or may be bound to make, so that all persons entitled under existing contracts to any of the capital stock of either of said companies may receive stock in the consolidated Company, at par, in lieu thereof.

Art. VI. The said new corporation shall assume and perform all the contracts, agreements, covenants, duties and obligations of what

kind soever of each of the said parties, and shall pay and discharge all debts, claims and demands existing against either and all of said parties; but nothing herein contained shall release the said parties, or either of them, from any of their just liabilities.

In testimony whereof, the said parties shall severally cause these articles to be signed and executed by affixing thereto their respective corporate names and seals by their respective Presidents and Secretaries, pursuant to the order of their respective Boards of Directors.

AN ACT

To authorize the International and Great Northern Railroad Company to issue Bonds.

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That the International and Great Northern Railroad Company shall have power to borrow money on its bonds, or notes, at such rates as the Directors may deem expedient, and to secure the same by mortgage or other lien upon its road or other property, or upon both; and said Company may convert any bonds which may have been issued by either the International Railroad Company, or by the Houston and Great Northern Railroad Company into the stock of said International and Great Northern Railroad Company, at such rates as the Directors may deem expedient, or into a new bond to be issued in the name of the said Company.

SEC. 2. That all bonds issued or debts and liabilities incurred by either the International Railroad Company, or the Houston and Great Northern Railroad Company, shall be of the same binding force and effect upon said International and Great Northern Railroad Company, as they were upon the respective companies; and all acts heretofore done in the name of either of said companies shall have the same binding force and effect upon the said International and Great Northern Railroad Company that they had upon the respective companies; and all rights or liabilities existing between said companies, or either of them, and the State or third parties, shall inure to said International and Great Northern Railroad Company, the same as they existed with the respective companies.

SEC. 3. That this act shall take effect and be in force from and after its passage.

Approved April 24, 1874.

AN ACT

For the relief of the International Railroad Company, now consolidated with the Houston and Great Northern Railroad Company, under the name of the International and Great Northern Railroad Company.

WHEREAS, On the fifth day of August, A. D. 1870, the Legislature of the State of Texas passed an act entitled "An Act to incorporate the International Railroad Company, and to provide for the aid of the State of Texas in constructing the same;" and

WHEREAS, By the 9th section of said act, it is claimed the State of Texas obligated itself to donate and grant to the said Company the bonds of the State of Texas to the extent and amount of ten thousand dollars per mile for each mile of railroad constructed under said charter; and

WHEREAS, The said Railroad Company has already constructed about two hundred miles of railroad, in accordance with the provisions of its charter; and

WHEREAS, The said the International Railroad Company has been consolidated with the Houston and Great Northern Railroad Company under the name of the International and Great Northern Railroad Company; and

WHEREAS, Questions have arisen between the State of Texas and the said Company as to the legal liability of the State to deliver said bonds to the said Company; and

WHEREAS, It is important, both to the State and said Company, that these questions should be definitely settled by a just and reasonable compromise; therefore, for that purpose,

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That in full settlement and satisfaction of all claims of the said The International Railroad Company, and of the said The International and Great Northern Railroad Company against the State, for bonds under the provisions of the ninth section of the aforesaid act of August 5, A. D. 1870, there is hereby granted to the said last named Company, its successors and assigns, twenty sections, of six hundred and forty acres each, of the unappropriated public lands of the State, for each mile of railroad which has been and

which may hereafter be constructed pursuant to the authority conferred by the said act of August 5, A. D. 1870. And the said Company, its successors and assigns, shall have the right to locate the said lands as headright certificates were formerly located, without being under obligation to locate alternate sections for the State; and the said lands and the certificates issued therefor, are hereby exempted and released from all State, county, town, city, municipal, and other taxes for the period of twenty-five years from the date of the respective certificates issued therefor. And the said Railroad Company, and its successors, and its and their capital stock, rights, franchises, railroads constructed and to be constructed, pursuant to the said act of August 5, A. D. 1870, and this act, rolling stock, and all other property which now is, or hereafter may be owned or possessed by said Company, or its successors, in virtue of the said act of August 5, A. D. 1870, is hereby exempted and released from all State, county, town, city, municipal and other taxes, for a period of twenty-five years, from the 5th day of August, A. D. 1875, except county and municipal taxes in such counties, cities and towns as have donated their bonds to aid in the construction of said railroad; but this exception shall not remain in force in favor of any county, city or town, which having thus donated bonds, shall make default in the payment of either the interest or principal thereof; *provided*, that this exemption from taxation shall not be held or construed to include or apply to the lands or railroads which at the time of the consolidation hereinbefore recited belonged to the Houston and Great Northern Railroad Company, or which has since been, or hereafter may be constructed or acquired under its charter; *provided*, nothing in this act contained shall be so construed as to exempt from taxation any lands to which the Company may be entitled by virtue of the charter of the Great Northern Railroad Company, or the franchise, road-bed, rolling stock, or any property acquired, or hereafter to be acquired by virtue of the charter of the Great Northern Railroad Company; and the lands granted by this act shall not be sold to any other corporation or to any person in trust, for the use and benefit of said Company; and *provided, further*, that the State shall not be liable for any deficiency of the unappropriated public domain on which to locate said land certificates, nor shall any of such unlocated certificates ever constitute a claim against the State.

Sec. 2. That the Commissioner of the General Land Office is hereby authorized to issue to the said The International and Great Northern Railroad Company certificates for twenty sections of six

hundred and forty acres each of the public lands for each mile of railroad, which has heretofore been constructed pursuant to the aforesaid act of August 5, A. D. 1870, as soon as the said Commissioner shall be notified by the Governor of the State that the stockholders of said Company have accepted the provisions of this Act, which certificates shall be delivered by the said Commissioner to the President of said Company, or to such other person as may be by the President or the Company authorized to receive the same.

SEC. 3. Whenever the said The International and Great Northern Railroad Company shall hereafter construct ten consecutive miles of the railroad, authorized by the said act of August 5, A. D. 1870, the said Company may notify the Governor of the State of the fact, whereupon it shall be the duty of the Governor to direct the State Engineer, if there be one, (and if not, some other competent engineer), to inspect the said section of road, and if said inspector shall report under oath, that the said section of road has been completed in a substantial manner, and in accordance with the requirements of the general railroad law of the State then in force, the Governor shall immediately communicate these facts to the Commissioner of the General Land Office, whose duty it shall be to issue and deliver to said Company certificates for twenty sections of six hundred and forty acres each, of the public land, for each mile of the section of road so completed, and so on from time to time as fast as sections of ten miles are completed as aforesaid.

SEC. 4. That if said Company shall fail to complete the construction of said railroad from the City of Jefferson to the terminus of said railroad on the Rio Grande, at the rate of at least forty miles each year, or of eighty miles every two years, counting from the first day of July, 1875, they shall forfeit all right to the lands by this Act granted upon that portion of said railroad which they thus fail to construct.

SEC. 5. That the said Company shall alienate one-half of the lands granted by this act within fifteen years, and the other half within twenty years, from the respective dates of the certificates issued therefor, excepting such portion of said lands as the said Company may require for railroad purposes.

SEC. 6. That said Company shall establish and maintain a depot for business on the line of its road within one and one-fourth miles of the present site of the court-house, in the town of San Marcos,

and also establish and maintain a depot as aforesaid, within one and one-fourth miles of the present site of the court-house, in the town of New Braunfels; *provided*, that the western terminus of said road be fixed within one mile of the court-house of the City of Laredo, on the Rio Grande river; *provided*, suitable grounds for depots and side tracks not exceeding twenty acres at each of said stations, to be laid off as designated by said Company, shall be furnished free of cost to said Company, and the right-of-way for said railroad, not exceeding one hundred and fifty feet in width, through said towns shall be donated to said Company.

SEC. 7. That if a majority, in amount, of all the stockholders of the said The International and Great Northern Railroad Company shall, in person or by proxy, at a meeting of the said stockholders held for that purpose, vote in favor of accepting the provisions of this act, and a certificate certifying that fact under the common seal of said Company, attested by its Secretary, shall be filed in the office of the Secretary of State within forty-five days after the approval of this Act by the Governor of the State, this act shall thereupon be and become obligatory upon said Company and its successors, and, its provisions being complied with by the State, it shall be and constitute a full, final and conclusive settlement of all the claims and demands of said Company against the State, for bonds under the ninth section of said Act of August 5, A. D. 1870, and this Act shall also be held to constitute an irrepealable contract and agreement between the State and the said Company, its successors and assigns.

SEC. 8. That the Act entitled "An Act to grant lands to the International Railroad Company, in lieu of bonds, on a portion of its line of road," approved May 1, A. D. 1874, and such parts of said Act of August 5, A. D. 1870, entitled "An Act to incorporate the International Railroad Company, and to provide for the aid of the State of Texas in constructing the same," and all other laws and parts of laws inconsistent with the provisions of this Act, are hereby repealed.

SEC. 9. This Act shall take effect and be in force from and after its passage.

Approved March 10th, 1875.

DEED

OF

BURR G. DUVAL, SPECIAL MASTER, TO JOHN S. KENNEDY AND SAMUEL SLOAN, TRUSTEES,

Conveying the Houston and Great Northern Railroad.

DATED OCTOBER 14th, 1879.

In the Circuit Court of the United States for the Western District of Texas, at Austin. In chancery.

KNOW ALL MEN BY THESE PRESENTS, THAT,

WHEREAS, In a certain foreclosure suit between Moses Taylor and William E. Dodge, trustees, complainants, and the Houston and Great Northern Railroad Company, the International and Great Northern Railroad Company, John A. Stewart and William H. Osborn, trustees, R. Somers Hayes, receiver, and John S. Barnes and Thomas W. Pearsall, trustees, defendants, the said complainants lately, in a Circuit Court of the United States in and for the Fifth Circuit and Western District of Texas, in equity, obtained a decree in their favor on the fifteenth day of April, in the year one thousand eight hundred and seventy-nine, whereby Burr G. Duval, a special master of the said Court, was directed, as such special master, to sell all the property hereinafter mentioned at public auction, at the court-house of Travis county, in the city of Austin and State of Texas, to the highest bidder, for the purpose of satisfying certain claims set forth in said decree, together with certain costs and expenses therein mentioned.

AND WHEREAS, The said Burr G. Duval, as special master aforesaid, in obedience to the said decree, did, on the 31st day of July, in the year aforesaid, sell the property hereinafter described, being

the same property hereinbefore mentioned, at public auction at the said court house of Travis county, in the city of Austin and State of Texas, having first given notice of the time, place and terms of said sale, and of the specific property (as nearly accurate as possible), to be sold, by publishing such notice for the time required by the said decree, in two newspapers of good circulation, in the city of Austin, to-wit, the "Sunday Leader" and the "Democratic Statesman;" and in one paper in the city of New York, also of good circulation, to-wit: "The New York Commercial Advertiser," at which sale the said property was struck off and sold to John S. Kennedy and Samuel Sloan, trustees, for the sum of five hundred thousand dollars; they, the said John S. Kennedy and Samuel Sloan, trustees, being the highest bidders, and that sum being the highest sum bidden for the same, and the said John S. Kennedy and Samuel Sloan, trustees, having paid to the said Burr G. Duval, special master, at the time of striking off the sale, and before he accepted their bid, the sum of $25,000 in gold coin.

And Whereas, The said Burr G. Duval, as such master aforesaid, did, forthwith after such sale, make a report thereof to the said Circuit Court on the first day of August, in the year aforesaid, and an order was duly made by and entered in the said Court on the fourth day of August aforesaid, confirming the said sale.

Now, therefore, The said Burr G. Duval, as special master aforesaid, for and in consideration of the sum of five hundred thousand dollars to him paid, the receipt whereof is hereby acknowledged, hath granted, bargained, sold and conveyed, and by these presents doth grant, bargain, sell and convey unto the said John S. Kennedy and Samuel Sloan, as trustees, and to the survivor of them, in fee simple absolute, all and singular the railway of the Houston and Great Northern Railroad Company, built and to be built, its main line, beginning at the Brazos river, passing through the city of Houston, connecting with the Memphis and El Paso Railroad near Clarksville, and passing as near the towns of Montgomery, Huntsville, Crockett, Rusk and Tyler as was deemed expedient, to the Red River in the State of Texas, a distance of about three hundred and fifty miles, its branches and extensions, together with all right of way, depot and shop grounds, tenements, hereditaments, franchises and rights, including and meaning to include all the property, real and personal, at any time acquired by the said Company in the State of Texas (except lands other than those necessary for right of way,

depot and shop grounds, the same being not hereby conveyed nor intended to be), which premises are now in the possession and use of and claimed by the said The International and Great Northern Railroad Company, and also certain rolling stock and other personal property, more particularly described as follows:

14 engines, numbered 23 to 36, inclusive.

4 caboose cars, numbered A, B, C and D.

3 baggage, mail and express cars, numbered 1, 2 and 3.

4 passenger cars, numbered 4, 5, 7 and 12.

3 combination cars, numbered 9, 13, 14.

80 freight box cars, numbered 18, 20, 22, 24, 26, 28, 30, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 60, 62, 64, 68, 70, 72, 74, 76, 78, 80, 84, 86, 88, 90, 92, 94, 96, 98, 100, 102, 104, 106, 108, 110, 112, 114, 118, 122, 124, 126, 128, 130, 132, 134, 136, 138, 140, 142, 144, 146, 148, 154, 156, 160, 162, 164, 166, 168, 170, 172, 174, 176, 178, 182, 184, 186, 188, 190, 196, 198, 200.

76 platform freight cars numbered 465, 467, 469, 471, 473, 475, 477, 479, 481, 483, 485, 487, 489, 491, 493, 495, 497, 499, 501, 503, 505, 507, 509, 511, 513, 515, 517, 519, 521, 523, 525, 527, 529, 531, 533, 535, 537, 543, 549, 555, 557, 569, 581, 587, 591, 593, 595, 601, 603, 607, 609, 613, 635, 637, 643, 649, 655, 659, 661, 663, 665, 671, 675, 681, 685, 687, 689, 695, 699, 703, 709, 711, 713, 629, 639, 691.

19 service cars numbered 1,000 to 1,018, inclusive.

And also a certain one undivided half interest in the following described property, to-wit:

4 engines, numbered 37 to 40, inclusive.

10 passenger cars, numbered 16 to 25, inclusive.

3 baggage, mail and express cars, numbered 4, 5 and 6.

2 baggage cars, numbered 7 and 8.

180 freight box cars, numbered 400, 402, 404, 406, 408, 410, 412, 414, 416, 418, 420, 422, 426, 430, 432, 434, 436, 440, 442, 444, 446, 448, 450, 454, 458, 460, 462, 464, 466, 468, 470, 472, 474, 476, 478, 480, 482, 484, 486, 488, 490, 492, 494, 496, 498, 504, 506, 508, 510, 512, 516, 520, 522, 524, 526, 530, 532, 534, 536, 540, 542, 544, 546, 548, 550, 552, 554, 556, 558, 560, 562, 564, 566, 468, 570, 572, 574, 576, 578, 580, 582, 584, 586, 588, 590, 594, 596, 598, 600, 602, 604, 606, 608, 610, 612, 614, 616, 618, 620, 622, 624, 626, 628, 630, 632, 634, 636, 640, 642, 644, 646, 650, 652, 654, 656, 658, 660, 662, 664, 666, 668, 670, 672, 674, 676, 678, 680, 684, 686, 688, 690, 692, 694, 696, 698, 700, 702, 704, 706, 708, 710, 712, 714, 716, 118, 720, 722,

724, 726, 728, 730, 732, 734, 736, 738, 740, 742, 744, 746, 748, 750, 752, 754, 756, 758, 760, 762, 764, 766, 768, 770, 772, 774, 776, 778, 780, 782, 784, 786, and 788.

84 freight platform cars, numbered 65, 93, 107, 109, 113, 123, 443, 445, 449, 719, 721, 723, 725, 727, 729, 731, 733, 735, 737, 739, 741, 743, 745, 747, 749, 751, 753, 755, 757, 759, 761, 763, 765, 767, 769, 771, 773, 775, 777, 779, 781, 783, 785, 787, 789, 791, 793, 795, 797, 799, 801, 803, 805, 807, 809, 811, 813, 815, 817, 819, 821, 823, 825, 827, 829, 831, 833, 835, 837, 839, 841, 843, 845, 847, 849, 851, 853, 855, 857, 859, 861, 863, 865, 867.

97 stock cars, numbered 3001, 3003, 3005, 3009, 3011, 3013, 3015, 3017, 3019, 3021, 3023, 3025, 3029, 3031, 3033, 3037, 3039, 3041, 3043, 3045, 3047, 3049, 3051, 3053, 3055, 3057, 3059, 3061, 3063, 3065, 3067, 3069, 3071, 3073, 3075, 3077, 3079, 3081, 3083, 3085, 3087, 3089, 3091, 3093, 3095, 3097, 3099, 3101, 3103, 3105, 3107, 3109, 3111, 3113, 3115, 3117, 3119, 3121, 3123, 3125, 3127, 3129, 3131, 3133, 3135, 3137, 3139, 3141, 3143, 3145, 3147, 3149, 3151, 3153, 3155, 3157, 3159, 3161, 3163, 3165, 3167, 3169, 3171, 3173, 3175, 3177, 3179, 3181, 3183, 3185, 3187, 3189, 3191, 3193, 3195, 3197, 3199.

20 service cars, numbered 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 1014, 2015, 2016, 2017, 2018, 2019, 2020.

1 car derrick, numbered 125.

1 car pile-driver, numbered 169.

9 cars (boarding), numbered 4000, 4002, 4004, 4006, 4008, 4010, 4012, 4014, 4016.

And also all the road-bed, tracks, franchises and chartered powers and privileges of the said Houston and Great Northern Railroad Company and of the International and Great Northern Railroad Company, so far as the latter succeeds to the title of said Houston and Great Northern Railroad Company, granted to them by virtue of their charters, or by any other laws of the State of Texas or of the United States.

And also all other property of the said railroad companies, if any, covered by and included in the mortgage mentioned in the said decree, and all the estate, powers, right, title, interest, franchises, privileges, benefits, property, possession, claim and demand whatsoever, as well in law as in equity, of the said Houston and Great Northern Railroad Company and the International and Great North-

ern Railroad Company of, in and to the premises aforesaid and each and every part thereof, with the appurtenances.

To have and to hold unto the said John S. Kennedy and Samuel Sloan, as trustees, and to the survivor of them, in fee simple absolute forever, as fully as the said Houston and Great Northern Railroad Company and the International and Great Northern Railroad Company, both or either of them, were seized of or entitled to at or before the entry of the decree aforesaid, and in the same manner and to the same extent as if the said John S. Kennedy and Samuel Sloan, trustees, had been the original eorporators of the said Houston and Great Northern Railroad Company, with full power to operate, construct, complete, repair and work said railroad upon the same terms and under the same conditions and restrictions as are imposed by the charters of the said railroad companies, and by the general laws of the State of Texas affecting the same, and as fully and absolutely as the said Burr G. Duval, master, can, may or ought to, by virtue of the said decree, grant, bargain, sell, release, assign, convey and confirm the same.

But this instrument shall not pass or convey to the said John S. Kennedy and Samuel Sloan, trustees, any right or claim to recover from the former stockholders of the said companies any sums which may remain due upon their subscriptions of stock, but the said stockholders shall continue liable to pay the same in discharge and liquidation of the debts due by the said companies, and no covenant is to be implied from this deed, except that the said Burr G. Duval, as special master aforesaid, has not made any prior conveyance of the property herein mentioned or any part thereof.

In witness whereof, the said Burr G. Duval, special master in the Circuit Court as aforesaid, hath hereunto set his hand and seal this fourteenth day of October, one thousand eight hundred and seventy-nine.

Burr G. Duval,
Special Master, &c.

Deed signed in presence of
Geo. Sealy,
John B. Costa.

State of Texas, }
Travis County. }

I, P. De Cordova, Notary Public for said county, do hereby certify that Burr G. Duval, the person named in the foregoing deed and

known to me as the person executing said deed, this day appeared before me, and on oath acknowledged that his signature to the said foregoing deed was genuine, and that he executed the same for the uses, purposes and considerations therein expressed.

In testimony whereof, I have hereunto set my hand and affixed my official seal, this fourteenth day of October, one thousand eight hundred and seventy-nine.

P. De Cordova,
Notary Public,
Travis County, Texas.

[SEAL.]

DEED

OF

BURR G. DUVAL, Special Master, to JOHN S. KENNEDY and SAMUEL SLOAN, Trustees,

Conveying the International Railroad.

DATED OCTOBER 14th, 1879.

In the Circuit Court of the United States for the Western District of Texas, at Austin. In chancery.

Know all Men by these Presents, that,

Whereas, In a certain foreclosure suit between John A. Stuart and William H. Osborn, trustees, complainants, and the International Railroad Company, the International and Great Northern Railroad Company, John S. Barnes and Thomas W. Pearsall, trustees, and Moses Taylor and William E. Dodge, trustees, defendants, the said complainants lately in a Circuit Court of the United States in and for the Fifth Circuit and Western District of Texas, in equity, obtained a decree in their favor on the fifteenth day of April, in the year one thousand eight hundred and seventy-nine, whereby Burr G. Duval, a special master of the said Court, was directed, as such special master, to sell all the property hereinafter mentioned at public auction, at the court house of Travis county, in the city of Austin and State of Texas, to the highest bidder, for the purpose of satisfying certain claims set forth in said decree, together with certain costs and expenses therein mentioned.

And Whereas, The said Burr G. Duval, as special master aforesaid, in obedience to the said decree, did, on the 31st day of July, in the year aforesaid, sell the property hereinafter described, being the same property hereinbefore mentioned, at public auction at the

said court house of Travis county, in the city of Austin and State of Texas, having first given notice of the time, place and terms of said sale, and of the specific property (as nearly accurate as possible), to be sold, by publishing such notice for the time required by the said decree, in two newspapers of good circulation, in the city of Austin, to-wit, the "Sunday Leader" and the "Democratic Statesman;" and in one newspaper in the city of New York, also of good circulation, to-wit: "The New York Commercial Advertiser," at which sale the said property was struck off and sold to John S. Kennedy and Samuel Sloan, trustees, for the sum of five hundred thousand dollars; they, the said John S. Kennedy and Samuel Sloan, trustees, being the highest bidders, and that sum being the highest sum bidden for the same, and the said John S. Kennedy and Samuel Sloan, trustees, having paid to the said Burr G. Duval, special master, at the time of striking off the sale, and before he accepted their bid, the sum of $25,000 in gold coin.

And Whereas, The said Burr G. Duval, as such master aforesaid, did, forthwith after such sale, make a report thereon to the said Circuit Court on the first day of August, in the year aforesaid, and an order was duly made by and entered in the said Court on the fourth day of August aforesaid, confirming the said sale.

Now, therefore, The said Burr G. Duval, as special master aforesaid, for and in consideration of the sum of five hundred thousand dollars to him paid, the receipt whereof is hereby acknowledged, hath granted, bargained, sold and conveyed, and by these presents doth grant, bargain, sell and convey unto the said John S. Kennedy and Samuel Sloan, as trustees, and to the survivor of them, in fee simple absolute, all and singular the International Railroad Company's Railway; its Jefferson branch, whenever built, and its main trunk; its right of way and track, together with all the superstructures, depots, depot-grounds, stations, station-houses, engine-houses, car-houses, freight-houses, wood-houses, sheds, watering-places, workshops, machine-shops, bridges, tools, machinery, side-tracks, turnouts, turn-tables, weighing-scales, fixtures, locomotives, tenders, rolling stock, fuel, equipments, and all corporate rights, privileges and franchises of the said International Railroad Company, together with all and singular the reversion and reversions, remainder and remainders, tolls, rents, incomes, issues and profits thereof, including the franchise of the Company to be a corporation, which the said International Railroad Company possessed on the first day

of April, 1871, or which it afterwards acquired, and which are necessary, material and useful in connection with the ownership, use or operation of the aforesaid railroad, including:

22 engines, numbered 1 to 22, inclusive.

6 passenger cars, numbered 1, 2, 3, 6, 8, 10.

2 combination cars, numbered 11, and 15.

62 freight box cars, numbered 202, 204, 206, 208, 214, 218, 220, 224, 226, 230, 232, 234, 236, 238, 242, 244, 250, 252, 254, 256, 260, 262, 264, 266, 268, 270, 272, 276, 278, 280, 282, 284, 292, 294, 298, 300, 302, 304, 306, 308, 310, 312, 314, 318, 320, 322, 324, 334, 336, 338, 340, 342, 344, 346, 348, 350, 352, 356, 360, 362, 364, 366.

177 platform freight cars numbered 1, 3, 5, 7, 9, 11, 13, 15, 17, 21, 23, 25, 27, 29, 31, 35, 37, 39, 41, 43, 45, 49, 51, 53, 55, 57, 59, 61, 63, 69, 71, 73, 75, 77, 79, 83, 85, 87, 89, 91, 95, 97, 99, 103, 105, 111, 115, 119, 127, 131, 137, 139, 141, 145, 147, 149, 151, 153, 155, 157, 161, 165, 167, 173, 175, 177, 179, 181, 183, 185, 187, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 209, 211, 213, 215, 219, 221, 223, 225, 227, 229, 233, 235, 237, 241, 243, 245, 247, 249, 253, 255, 257, 259, 261, 265, 267, 271, 275, 277, 279, 281, 285, 289, 291, 293, 295, 297, 301, 303, 305, 307, 309, 313, 317, 321, 323, 325, 327, 329, 333, 335, 339, 341, 343, 345, 347, 349, 355, 357, 359, 361, 363, 365, 367, 369, 371, 375, 377, 379, 381, 383, 385, 387, 389, 391, 393, 395, 397, 399, 401, 403, 405, 411, 413, 415, 417, 419, 423, 425, 427, 429, 431, 433, 435, 437, 539, 441.

And also one undivided half interest in the following described property:

4 engines, numbered 37 to 40, inclusive.

10 passenger cars, numbered 16 to 25, inclusive.

3 baggage, mail and express cars, numbered 4, 5 and 6.

2 baggage cars, numbered 7 and 8.

180 freight box cars, numbered 400, 402, 404, 406, 408, 410, 412, 414, 416, 418, 420, 422, 426, 430, 432, 434, 436, 440, 442, 444, 446, 448, 450, 454, 458, 460, 462, 464, 466, 468, 470, 472, 474, 476, 478, 480, 482, 484, 486, 488, 490, 492, 494, 496, 498, 504, 506, 508, 510, 512, 516, 520, 522, 524, 526, 530, 532, 534, 536, 540, 542, 544, 546, 548, 550, 552, 554, 556, 558, 560, 562, 564, 566, 468, 570, 572, 574, 576, 578, 580, 582, 584, 586, 588, 590, 594, 596, 598, 600, 602, 604, 606, 608, 610, 612, 614, 616, 618, 620, 622, 624, 626, 628, 630, 632, 634, 636, 640, 642, 644, 646, 650, 652, 654, 656, 658, 660, 662, 664, 666, 668, 670, 672, 674, 676, 678, 680, 684, 686, 688, 690, 692, 694,

696, 698, 700, 702, 704, 706, 708, 710, 712, 714, 716, 118, 720, 722, 724, 726, 728, 730, 732, 734, 736, 738, 740, 742, 744, 746, 748, 750, 752, 754, 756, 758, 760, 762, 764, 766, 768, 770, 772, 774, 776, 778, 780, 782, 784, 786, and 788.

84 freight platform cars, numbered 65, 93, 107, 109, 113, 123, 443, 445, 449, 719, 721, 723, 725, 727, 729, 731, 733, 735, 737, 739, 741, 743, 745, 747, 749, 751, 753, 755, 757, 759, 761, 763, 765, 767, 769, 771, 773, 775, 777, 779, 781, 783, 785, 787, 789, 791, 793, 795, 797, 799, 801, 803, 805, 807, 809, 811, 813, 815, 817, 819, 821, 823, 825, 827, 829, 831, 833, 835, 837, 839, 841, 843, 845, 847, 849, 851, 853, 855, 857, 859, 861, 863, 865, 867.

97 stock cars, numbered 3001, 3003, 3005, 3009, 3011, 3013, 3015, 3017, 3019, 3021, 3023, 3025, 3029, 3031, 3033, 3037, 3039, 3041, 3043, 3045, 3047, 3049, 3051, 3053, 3055, 3057, 3059, 3061, 3063, 3065, 3067, 3069, 3071, 3073, 3075, 3077, 3079, 3081, 3083, 3085, 3087, 3089, 3091, 3093, 3095, 3097, 3099, 3101, 3103, 3105, 3107, 3109, 3111, 3113, 3115, 3117, 3119, 3121, 3123, 3125, 3127, 3129, 3131, 3133, 3135, 3137, 3139, 3141, 3143, 3145, 3147, 3149, 3151, 3153, 3155, 3157, 3159, 3161, 3163, 3165, 3167, 3169, 3171, 3173, 3175, 3177, 3179, 3181, 3183, 3185, 3187, 3189, 3191, 3193, 3195, 3197, 3199.

20 service cars, numbered 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 1014, 2015, 2016, 2017, 2018, 2019, 2020.

1 car derrick, numbered 125.

1 car pile-driver, numbered 169.

9 cars (boarding), numbered 4000, 4002, 4004, 4006, 4008, 4010, 4012, 4014, 4016.

Which premises are now in the possession and use of and claimed by the said International and Great Northern Railroad Company.

And also all the road-bed, tracks, franchises and chartered powers and privileges of the said International Railroad Company and of the International and Great Northern Railroad Company, so far as the latter succeeds to the title of said International Railroad Company, granted to them by virtue of their charters or by any other laws of the State of Texas or of the United States.

And also all other property of the said railroad company, if any, covered by and included in the mortgage mentioned in the said decree, and all the estate, powers, right, title, interest, franchises, privileges, benefits, property, possession, claim and demand whatsoever, as well in law as in equity, of the said International Railroad

Company and the International and Great Northern Railroad Company, of, in and to the premises aforesaid, and each and every part thereof, with the appurtenances.

To have and to hold unto the said John S. Kennedy and Samuel Sloan, as trustees, and to the survivor of them, in fee simple absolute forever, as fully as the said International Railroad Company and International and Great Northern Railroad Company, both or either of them were seized of or entitled to, at or before the entry of the decree aforesaid, and in the same manner and to the same extent as if the said John S. Kennedy and Samuel Sloan, trustees, had been the original corporators of the said International Railroad Company, with full power to operate, construct, complete, repair and work the said railroad upon the same terms and under the same conditions and restrictions as are imposed by the charters of the said railroad companies, and by the general laws of the State of Texas affecting the same, and as fully and absolutely as the said Burr G. Duval, master, can, may or ought to, by virtue of the said decree, grant, bargain, sell, release, assign, convey and confirm the same.

But this instrument shall not pass or convey to the said John S. Kennedy and Samuel Sloan, trustees, any right or claim to recover from the former stockholders of the said companies any sums which may remain due upon their subscriptions of stock, but the said stockholders shall continue liable to pay the same in discharge and liquidation of the debts due by the said companies, and no covenant is to be implied from this deed, except that the said Burr G. Duval, as special master aforesaid, has not made any prior conveyance of the property herein mentioned, or any part thereof.

In witness whereof, the said Burr G. Duval, special master in the Circuit Court as aforesaid, hath hereunto set his hand and seal this fourteenth day of October, one thousand eight hundred and seventy-nine.

Burr G. Duval,
Special Master.

Deed signed in presence of
Geo. Sealy,
John B. Costa.

State of Texas, }
Travis County. }

I, P. De Cordova, Notary Public for said county, do hereby certify that Burr G. Duval, the person named in the foregoing deed and

known to me as the person executing said deed, this day appeared before me, and on oath acknowledged that his signature to said foregoing deed was genuine, and that he executed the same for the uses, purposes and considerations therein expressed.

In testimony whereof, I have hereunto set my hand and affixed my official seal, this fourteenth day of October, A. D. one thousand eight hundred and seventy-nine.

P. De Cordova,
Notary Public,
Travis County, Texas.

[SEAL.]

DEED

OF

BURR G. DUVAL, Special Master, to JOHN S. KENNEDY and SAMUEL SLOAN, Trustees,

Conveying the International and the Houston and Great Northern Railroads.

DATED OCTOBER 14th, 1879.

In the Circuit Court of the United States for the Western District of Texas, at Austin. In chancery.

Know all Men by these Presents, that,

Whereas, In a certain foreclosure suit between John S. Barnes and Thomas W. Pearsall, trustees, complainants, and the International and Great Northern Railroad Company, defendants, the said complainants lately in a Circuit Court of the United States, in and for the Fifth Circuit in the Western District of Texas, in equity, obtained a decree in their favor on the fourth day of August, in the year one thousand eight hundred and seventy-nine, whereby Burr G. Duval, as a special master of the said Court, was directed, as such special master, to sell all the property hereinafter mentioned at public auction, at the court house of Travis county, in the city of Austin and State of Texas, to the highest bidder, for the purpose of satisfying certain claims set forth in said decree, together with certain costs and expenses therein mentioned.

And Whereas, The said Burr G. Duval, as special master aforesaid, in obedience to the said decree, did, on the thirteenth day of October, in the year aforesaid, sell the property hereinafter described, being the same property hereinbefore mentioned, in two parcels, as

directed by the said decree, at public auction at the said court house of Travis county, in the city of Austin and State of Texas, having first given notice of the time, place and terms of said sale, and of the property to be sold, by publishing such notice for the time required by the said decree, in two newspapers of good circulation, in the city of Austin, to-wit, the "Democratic Statesman" and the "Sunday Leader;" and in one newspaper in the city of New York, also of good circulation, to-wit: "The New York Commercial Advertiser," at which sale both parcels of such property were struck off and sold to John S. Kennedy and Samuel Sloan, trustees, for the sum of five dollars for each parcel, making ten dollars in all; they, the said John S. Kennedy and Samuel Sloan, trustees, being the highest bidders, and that sum being the highest sum bidden for the same, and the said John S. Kennedy and Samuel Sloan, trustees, having paid to the said Burr G. Duval, special master, at the time of striking off the sale, and before he accepted their bid, the said sum of ten dollars.

And Whereas, The said Burr G. Duval, as such master aforesaid, did, forthwith after such sale, make a report thereof to the said Circuit Court on the thirteenth day of October, in the year aforesaid, and an order was duly made by and entered in the said Court on the fourteenth day of October, 1879, confirming the said sale.

Now, therefore, The said Burr G. Duval, as special master aforesaid, for and in consideration of the sum of ten dollars to him paid, the receipt whereof is hereby acknowledged, hath granted, bargained, sold and conveyed, and by these presents doth grant, bargain, sell and convey, unto the said John S. Kennedy and Samuel Sloan, as trustees, and to the survivor of them, in fee simple absolute, all and singular the railway of the International Railroad Company, its Jefferson branch, whenever built, and main trunk, extending from the Red River to its terminus at or near Laredo on the Rio Grande, its right-of-way and track, together with all the superstructures, depots, depot grounds, station-houses, engine-houses, car-houses, freight-houses, wood-houses, sheds, watering places, workshops, machineshops, bridges, tools, machinery, sidetracks, turnouts, turntables, weighing-scales, fixtures, locomotives, tenders, rolling stock, fuel, equipments, and all corporate rights, privileges and franchises of the said International Railroad Company, together with all and singular the reversion and reversions, remainder and remainders, tolls, rents, incomes, issues and profits thereof (not including, however, lands

other than those necessary for a right-of-way, depot and shop grounds), and also all and singular the railway of the Houston and Great Northern Railroad Company, built and to be built, its main line, beginning at the Brazos river, passing through the city of Houston, connecting with the Memphis and El Paso Railroad near Clarksville, and passing as near the towns of Montgomery, Huntsville, Crockett, Rusk and Tyler as was deemed expedient, to the Red River in said State of Texas, a distance of about three hundred and fifty miles, and its branches and extensions, including its Huntsville branch road, eight miles in length, together with all right-of-way, depot and shop grounds, tenements, hereditaments, franchises and rights, rolling stock and other property mentioned in the said decree, including and meaning to include all the property, real and personal, at any time acquired by said Company in the State of Texas (except lands other than those necessary for right-of-way, depot and shop grounds, the same being not hereby conveyed, nor intended so to be); and also, 40 engines, 20 passenger cars, 5 combination cars, 322 freight box cars, 6 baggage, mail and express cars, 2 baggage-cars, 337 freight platform cars, 39 service cars, 97 stock cars, 4 caboose cars, 9 boarding cars, 1 car derrick and 1 car pile-driver, and all the road-bed, tracks, franchises and chartered powers and privileges of the said International Railroad Company, the Houston and Great Northern Railroad Company, and the International and Great Northern Railroad Company, granted to them by virtue of their charters, or by any other laws of the State of Texas or of the United States; and all the estate, powers, right, title, interest, franchises, privileges, benefits, property, possession, claim and demand whatsoever, as well in law as in equity, of the said International Railroad Company, the said Houston and Great Northern Railroad Company, and the said International and Great Northern Railroad Company, of, in and to the premises aforesaid, and each and every part thereof, with the appurtenances.

To have and to hold, unto the said John S. Kennedy and Samuel Sloan, as trustees, and to the survivor of them forever, in fee simple absolute, as fully as the said International Railroad Company, the said Houston and Great Northern Railroad Company, and the said International and Great Northern Railroad Company, all or any of them, were seized of or entitled to, at or before the entry of the decree aforesaid, and in the same manner and to the same extent as if the said John S. Kennedy and Samuel Sloan, trustees, had been the

original corporators of the three companies aforesaid, with full power to operate, construct, complete, repair and work the said railroads, upon the same terms and under the same conditions and restrictions as are imposed by the charters of the said railroad companies, and by the general laws of the State of Texas affecting the same, and as fully and absolutely as the said Burr G. Duval, master, can, may or ought to, by virtue of the said decree, grant, bargain, sell, release, assign, convey and confirm the same, subject, however, to the sale of the same property already made on the 31st day of July, 1879, under two decrees of the said Circuit Court, the one decree being in the suit brought by Moses Taylor and William E. Dodge, trustees, complainants, against the Houston and Great Northern Railroad Company and others, defendants, and the other in the suit brought by John A. Stewart and William H. Osborn, trustees, against the International Railroad Company and others, defendants, and subject to the deeds executed pursuant to such sales.

But this instrument shall not pass or convey to the said John S. Kennedy and Samuel Sloan, trustees, any right or claim to recover from the former stockholders of the said companies any sums which may remain due upon their subscriptions of stock, but the said stockholders shall continue liable to pay the same in discharge and liquidation of the debts due by the said companies; and no covenant is to be implied from this deed.

In witness whereof, the said Burr G. Duval, special master in the Circuit Court as aforesaid, hath hereunto set his hand and seal this fourteenth day of October, one thousand eight hundred and seventy-nine.

BURR G. DUVAL,
Special Master.

Deed signed in the presence of
GEO. SEALY,
JOHN B. COSTA.

STATE OF TEXAS, }
Travis County. }

I, P. De Cordova, Notary Public for said county, do hereby certify that Burr G. Duval, the person named in the foregoing deed and known to me as the person executing said deed, this day appeared before me, and on oath acknowledged that his signature to the said

foregoing deed was genuine, and that he executed the same for the uses, purposes and considerations therein expressed.

In testimony whereof, I have hereunto set my hand and affixed my official seal, this fourteenth day of October, A. D. one thousand eight hundred and seventy-nine.

P. De Cordova,
Notary Public,
Travis County, Texas.

[SEAL.]

AGREEMENT

FOR THE

REORGANIZATION

OF

THE INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY.

DATED SEPTEMBER 20, 1878.

THIS AGREEMENT, made this twentieth day of September, one thousand eight hundred and seventy-eight, between Moses Taylor, Wm. Walter Phelps, John S. Kennedy, Sam'l Thorne and John Sealy, herein called the Purchasing Committee, party of the first part, and the subscribers hereto, holders of the bonds, stock and obligations of the International Railroad Company, of the Houston and Great Northern Railroad Company, and of the International and Great Northern Railroad Company, parties of the second part, in consideration of the mutual covenants herein contained, witnesseth:

The said parties of the first part are hereby constituted and appointed a committee on behalf of all the holders of the said bonds, stock and obligations of said railroad companies who shall sign this agreement, to carry out the plan of reorganization hereinafter set forth, and shall be called the Purchasing Committee. They shall have power to fill any vacancy created by death or resignation, and any person elected to fill any vacancy shall have all the power and authority conferred by this agreement upon an original member of the committee. Said committee may act in all cases by a majority of their number, and are hereby authorized and empowered to do any

and all acts which may be lawfully done, and which shall be advised by counsel, to the effectual execution of the true purposes and intent of this agreement. They may employ such counsel and agents as may be necessary to expedite and facilitate the execution of this agreement, and may, in their discretion, extend the term for the performance of any and all things which are herein provided to be done and performed, and may allow any one who may have had the right to have become a party to this agreement, but who has been prevented from so doing, to become a party hereto upon complying with the terms hereof.

Upon any sale under any of the mortgages, said committee may, through an agent, or in their own proper names, or in the name of either of them, purchase the railways of said International and Great Northern Railroad Company, its franchises, appurtenances and equipment, at such prices as shall seem to them expedient, and may take any action necessary to obtain the ownership and possession of all the property of said Company wherever situated.

Said committee shall have full power, in right of said purchase, to organize a new company in such manner as they may be advised is legal and proper, to which shall be conveyed the said railways and the property, rights, franchises and interests so acquired by them, upon and subject to the terms, conditions and restrictions of this agreement.

Said new company shall thereafter make, execute and deliver to Trustees, to be selected by said Purchasing Committee, a good and sufficient mortgage covering said railroad, its franchises, property and equipment, excepting therefrom the land grants, lands, land certificates, town lots and town sites, now owned and controlled by said Company, hereinafter otherwise disposed of, to secure an issue to an amount as hereinafter provided of New First Mortgage Bonds, having forty years to run, bearing six (6) per cent. interest, payable semi-annually, at the City of New York, on the first days of May and November of each year, whereof the first coupon shall be due and payable on the first day of May, one thousand eight hundred and seventy-nine. Principal and interest payable in gold coin of the United States of standard weight and fineness.

Said new company shall further make, execute and deliver to trustees to be selected by the said Purchasing Committee, a good and sufficient mortgage, subject to the lien of the first mortgage aforesaid, covering said railroads, their franchises. property and equipment, excepting therefrom the land grants, lands, land certificates, town

lots and town sites hereinafter otherwise disposed of, to secure an issue to an amount as hereinafter provided of Second Mortgage Income Bonds, having thirty years to run, bearing interest at a rate not to exceed eight per cent. per annum, payable only if earned, and out of the net earnings of said Company in any one year, after payment of prior interest charges, taxes, assessments, ordinary repairs and replacements, and such interest shall not accumulate from year to year, but so much thereof as shall be earned shall be paid.

Said new company shall further make, issue and deliver, to said Purchasing Committee certificates of capital stock to the amount of five millions five hundred thousand dollars.

Said Purchasing Committee shall acquire full possession, ownership and control, in such manner as shall be found advisable to constitute in them the full and legal title thereto, of all the lands, land grants, land certificates, town sites and town lots, now belonging to the International Railroad Company, to the Houston and Great Northern Railroad Company, and to the International and Great Northern Railroad Company, under and by virtue of the several land grants to said companies, granted by the State of Texas in aid of the construction of said railroads, also of the stock of the Texas Land Company owned by said International and Great Northern Railroad Company.

Said Purchasing Committee shall take and hold the said lands and stock, free from any right, claim or interest therein of the first mortgage bondholders of the said International Railroad Company, and of said Houston and Great Northern Railroad Company, and of the stockholders of said International and Great Northern Railroad Company, parties of the second part hereto, who do hereby, in consideration of the premises, relinquish and release all claim, lien, right, title and interest therein to the said Purchasing Committee forever, who are to take and hold the same in trust for the sole and exclusive use and benefit of the holders and owners of the second mortgage and convertible bonds of the International and of the Houston and Great Northern Railroad Companies as is hereinafter provided.

The subscribers hereto of the second part, holders of the said first mortgage bonds and first mortgage funded interest certificates of the said companies, do hereby agree that within ninety days from the date hereof they will deposit at the Farmers' Loan and Trust Company of New York, the bonds, past due coupons and funded interest certificates held by them in amounts and numbers as stated opposite their respective names, taking receipt therefor, subject to the order

and control of said Purchasing Committee, for the uses and purposes of this agreement. And they further agree to accept in lieu thereof from said Purchasing Committee, upon the completion of the reorganization of said International and Great Northern Railroad Company under this agreement, the new first mortgage six per cent. bonds and the new second mortgage income bonds of said new company, hereinbefore provided to be issued to the amounts respectively as follows, that is to say:

For the principal and past due compons with interest adjusted to November 1st, 1878, fifty per cent. in the said new first mortgage six per cent. bonds.

For the principal and accumulated interest upon the said first mortgage funded interest certificates, interest being adjusted thereon to November 1st, 1878, fifty per cent. in the said new first mortgage six per cent. bonds.

For the remaining fifty per cent. of principal of said bonds and certificates, said past due coupons and said accumulated interest, the said second mortgage income bonds hereinbefore provided to be issued;

Provided, the total amount of said new first mortgage six per cent. bonds shall not exceed the amount required to be issued to said first mortgage bondholders, parties hereto, together with an amount of nine hundred thousand dollars, required for payments of secured debt and improvements; and provided further, that the total amount of second mortgage income bonds shall not exceed the amount required to be issued to said first mortgage bondholders, parties hereto, as above provided.

The subscribers hereto, of the second part, holders of the stock of the International and Great Northern Railroad Company, do hereby agree that within ninety days from the date hereof, they will deposit the certificates of stock held by them, to the amounts placed opposite their names respectively, with the Farmers' Loan and Trust Company, taking receipt therefor, with power of transfer in favor of said Purchasing Committee, and do further agree to accept from said Purchasing Committee, in lieu thereof, certificates of stock of the new company, share for share alike.

The subscribers hereto, of the second part, holders of the second mortgage and convertible bonds, and of the second mortgage funded certificates of said companies, do hereby agree that they will, within ninety days from the date hereof, deposit the said bonds and certificates, with the past due coupons thereto attached, to the amounts

placed opposite their names respectively, with the Farmers' Loan and Trust Company of the City of New York, taking receipt therefor, subject to the order and control of said Purchasing Committee, for the uses and purposes of this agreement. And they hereby agree to accept and receive from said Purchasing Committee, in lieu thereof, and in full satisfaction of all lien or claim upon said railroad companies, or upon said new company, and of all right, title and interest which they may have had by virtue of the mortgage deed of trust, securing said bonds, in the railroads, property, franchises and equipments of said companies, or either of them, or of said new company, the lands, land grants, land certificates, town lots and town sites, and Texas Land Company stock, which by this agreement are to be conveyed and transferred to the said Purchasing Committee in trust for their sole use and benefit as hereinbefore provided. And it is further agreed and understood that when this agreement is so far executed that the said Purchasing Committee are possessed of the full, clear and legal title in and to the said lands, land grants, land certificates, town lots and town sites, and to the stock of said Texas Land Company, a meeting of said second mortgage and convertible bondholders shall be called, of which at least ten days' notice shall be given by advertisement published in a newspaper in the City of New York, and the said lands, land grants, land certificates, town sites and town lots, and said Texas Land Company's stock, shall be conveyed and transferred to such person, or persons, or corporation as the said second mortgage bondholders shall direct by a vote of a majority of the amount of said bonds and of said funded interest certificates duly cast at such meeting. The intent and meaning of this agreement being that the whole of said lands and stock shall become the property of said second mortgage bondholders, and subject only to their exclusive ownership and control, saving and excepting such land, town lots and rights of way now occupied, reserved and in actual use by said railroad company, and necessary to the operation and maintenance of its lines of railway.

And it is further agreed that the county and city bonds, amounting to the sum of ninety-three thousand one hundred dollars, now owned by said company, shall also be taken and held by said Purchasing Committee in trust for the sole use and benefit of said second mortgage and convertible bondholders, and shall be transferred to such person, or persons, or corporation as by the action of the said bondholders shall receive the said lands, land certificates and stock.

All copies of this agreement which shall be subscribed by any per-

son entitled to do so and shall be delivered to the Purchasing Committee, shall have the like effect as if their signature were hereto subscribed. No member of said Purchasing Committee shall be held liable for any ignorance or mistake of law or fact, or for any act, default or omission of any other member of the committee, or of any trust company, trustee, bank or banker, attorney, or other agent, or instrument of said committee, or of said railroad company.

Said Purchasing Committee are hereby authorized and empowered to supply any deficiencies in the matter of detail, which may hereafter arise pending the reorganization, and which may be advised by counsel, and which may be necessary, proper, and expedient to carry out or to facilitate the true intent and purposes of this agreement.

In witness whereof, the parties aforesaid have hereunto set their hands the day and year first above written.

DEED

OF

JOHN S. KENNEDY AND SAMUEL SLOAN, TRUSTEES,

Conveying the International and the Houston and Great Northern Railroads to the International and Great Northern Railroad Company.

DATED NOVEMBER 1st, 1879.

KNOW ALL MEN BY THESE PRESENTS, THAT,

WHEREAS, On the fourteenth day of October, in the year one thousand eight hundred and seventy-nine, Burr G. Duval, Esq., as a special master appointed by a Circuit Court of the United States in and for the Fifth Circuit, and in the Western District of Texas, in equity, did convey by three certain deeds to John S. Kennedy and Samuel Sloan, as trustees, and to the survivor of them forever, in fee simple absolute, all and singular the premises hereinafter mentioned;

AND WHEREAS, The International and Great Northern Railroad Company has agreed to purchase all the said property and premises from said Kennedy and Sloan, and in payment therefor to issue and deliver to the said Kennedy and Sloan five thousand three hundred and seventy-four bonds for one thousand dollars ($1,000) each, and five hundred bonds for five hundred dollars ($500) each, secured by a purchase-money mortgage bearing even date with these presents and executed simultaneously therewith, and the further amount of four thousand four hundred and seventy-four bonds for one thousand dollars ($1,000) each, and five hundred bonds for five hundred dollars ($500) each, secured by a purchase-money mortgage bearing even

date with these presents and executed simultaneously therewith, but subsequent in time and to be inferior in lien to the mortgage first above mentioned;

NOW, THEREFORE, The said John S. Kennedy and Samuel Sloan, as trustees, for and in consideration of the sum of ten million three hundred and forty-eight thousand dollars, paid to them as aforesaid, the receipt whereof is hereby acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell and convey, unto the International and Great Northern Railroad Company of Texas, its successors and assigns, in fee simple absolute forever, all and singular the railway of the International Railroad Company, its Jefferson branch whenever built, and its main trunk, extending from the Red River to its terminus at or near Laredo, on the Rio Grande, its right-of-way and track, together with all the superstructures, depots, depot grounds, stations, station-houses, engine-houses, car-houses, freight-houses, wood-houses, sheds, watering-places, workshops, machineshops, bridges, tools, machinery, side-tracks, turnouts, turntables, weighing-scales, fixtures, locomotives, tenders, rolling stock, fuel, equipments, and all corporate rights, privileges and franchises of the said International Railroad Company, together with all and singular the reversion and reversions, remainder and remainders, tolls, rents, incomes, issues and profits thereof, including the franchise of the said Company to be a corporation; and also all and singular the railway of the Houston and Great Northern Railroad Company, built and to be built, its main line, beginning at the Brazos river, passing through the city of Houston, connecting with the Memphis and El Paso Railroad near Clarksville, and passing as near the towns of Montgomery, Huntsville, Crockett, Rusk and Tyler as was deemed expedient, to the Red River in the State of Texas, a distance of about three hundred and fifty miles, and its branches and extensions, including its Huntsville branch road, eight miles in length, together with all its right-of-way, depot and shop grounds, tenements, hereditaments, franchises and rights, rolling stock and other property, including and meaning to include all the property, real and personal, at any time acquired by the said Company in the State of Texas (except lands other than those necessary for right-of-way, depot and shop grounds, the same being not hereby conveyed, nor intended so to be); and also forty engines, twenty passenger cars, five combination cars, three hundred and twenty-two freight box cars, six baggage, mail and express cars,

two baggage cars, three hundred and thirty-seven freight platform cars, thirty-nine service cars, ninety-seven stock cars, four caboose cars, nine boarding cars, one car derrick and one car pile-driver; and all the road-bed, tracks, franchises and chartered powers and privileges of the said International Railroad Company, the said Houston and Great Northern Railroad Company, and the said International and Great Northern Railroad Company, granted to them by virtue of their charters, or by any other laws of the State of Texas or of the United States; and all the estate, powers, right, title, interest, franchises, privileges, benefits, property, possession, claim and demand whatsoever, as well in law as in equity, of the said International Railroad Company, the said Houston and Great Northern Railroad Company, and the said International and Great Northern Railroad Company of, in and to the premises aforesaid, and each and every part thereof, with the appurtenances.

TO HAVE AND TO HOLD unto the said International and Great Northern Railroad Company, its successors and assigns, in fee simple absolute forever, as fully as the said International Railroad Company, the said Houston and Great Northern Railroad Company, and the said International and Great Northern Railroad Company, all or any of them, were seized of or entitled to at any time, with full power to operate, construct, complete, repair and work the said railroads, upon the same terms and under the same conditions and restrictions as are imposed by the charters of the said railroad companies, and by the general laws of the State of Texas affecting the same. But no covenant of any kind is to be implied from this deed, except that the said Kennedy and Sloan, whether individually or as trustees, have made no previous conveyance of or incumbrance upon the premises hereby conveyed.

In witness whereof, the said John S. Kennedy and Samuel Sloan, as trustees, have hereunto set their hands and seals this first day of November, in the year of our Lord one thousand eight hundred and seventy-nine.

[L. S.] JOHN S. KENNEDY,
[L. S] SAM. SLOAN,
as Trustees.

Signed, sealed and delivered in presence of
JOHN W. STERLING,
CHARLES NETTLETON.

STATE OF NEW YORK,
City and County of New York, } ss.

I, Charles Nettleton, a Commissioner in said State of New York, residing in said city of New York, appointed by the Governor of the State of Texas, do hereby certify that John S. Kennedy and Samuel Sloan, trustees, who are personally known to me to be the same persons described in, and who executed the foregoing instrument, this day came before me and acknowledged that they signed, sealed and delivered the said instrument, bearing date on the first day of November, A. D. 1879, as their voluntary act and deed, for the considerations, uses and purposes therein expressed, as such trustees therein described.

In witness whereof, I have hereunto set my hand and affixed my official seal this first day of November, A. D. 1879.

CHARLES NETTLETON,
[L. S.] Commissioner for Texas in New York,
117 Broadway, New York City.

International and Great Northern Railroad Company

TO

JOHN S. KENNEDY, SAMUEL THORNE, WM. WALTER PHELPS.

Deed to Land.

WHEREAS, The International and Great Northern Railroad Company, a corporation existing under the laws of the State of Texas, did, on the tenth day of March, one thousand eight hundred and seventy-nine, by deed of that date, signed by Sam Sloan, as President of said Company, convey unto "John S. Kennedy, Samuel Thorne, of the city, county and State of New York, and William Walter Phelps, of Bergen county, in the State of New Jersey, their heirs and assigns, and to the survivors and survivor of them, and the heirs and assigns of the survivors and survivor of them, as joint tenants and not as tenants in common, forever, all the lands and land certificates hereinafter mentioned, and which deed is recorded in the several counties of the State of Texas, in which the lands thereby conveyed are situate, and which is here referred to and made part and parcel of this deed;

AND WHEREAS, A doubt has arisen as to whether the lands and certificates conveyed, and intended to be conveyed by said deed, are described therein with desirable certainty: Now, for the purpose of describing said lands and land certificates with greater certainty, and in this respect make said deed of 10th March, 1879, more definite and specific as to the property thereby conveyed, the said International and Great Northern Railroad Company, as party of the first part, for the same consideration named in said deed of 10th

March, 1879, to-wit: four millions six hundred and twenty-eight thousand four hundred dollars, all of which has been paid as therein recited and admitted, hath granted, bargained, sold, conveyed, assigned, transferred and set over, and by these presents doth grant, bargain, sell, convey, assign, transfer and set over unto the said John S. Kennedy, Samuel Thorne and William Walter Phelps, parties of the second part, their heirs and assigns, and the survivors and survor of them, and the heirs and assigns of the survivors and survivor of them, as joint tenants and not as tenants in common, forever, all the lands, tenements, hereditaments and real estate, and all the rights and interests in the real estate hereinafter mentioned and described, that is to say:

All the lands in the State of Texas, then owned by said party of the first part, located by virtue of certain certificates for land issued by the Commissoner of the General Land Office of the State of Texas, to the said International and Great Northern Railroad Company, under and by virtue of a certain act of the Legislature of the State of Texas, entitled "An Act for the relief of the International Railroad Company, now consolidated with the Houston and Great Northern Railroad Company, under the name of the International and Great Northern Railroad Company," approved March 10th, 1875.

Also, the right, title and interest of any and every kind of the said party of the first part in, to and by virtue of all other land certificates, then owned by the party of the first part and not located, heretofore issued to the said party of the first part, under and by virtue of the said act of the Legislature of the State of Texas, approved March 10th, 1875, entitled "An act for the relief of the International Railroad Company, now consolidated with the Houston and Great Northern Railroad Company, under the name of the International and Great Northern Railroad Company."

The land certificates hereby conveyed, and also the land certificates by virtue of which the lands hereby conveyed were located, and acquired by the party of the first part, are numbered as follows, and were issued by the Commissioner of the General Land Office of the State of Texas, as follows, to-wit: Numbers three hundred and four (304) to three hundred and nine (309), both numbers inclusive (6); three hundred and eleven (311) to three hundred and thirty-nine (339), both numbers inclusive (29); three hundred and forty-one (341) to three hundred and seventy-six (376), both numbers inclusive

(36); three hundred and seventy-eight (378) to three hundred and eighty-six (386), both numbers inclusive (9); three hundred and eighty-eight (388), (1); four hundred and one (401) to four hundred and seven (407), both numbers inclusive (7); four hundred and ten (410), (1); four hundred and eighteen (418) to four hundred and twenty (420), both numbers inclusive (3); four hundred and twenty-two (422) to four hundred and thirty-seven (437), both numbers inclusive (16); four hundred and thirty-nine (439) to four hundred and forty-one (441), both numbers inclusive (3); four hundred and forty-three (443) to four hundred and sixty-five (465), both numbers inclusive (23); four hundred and sixty-eight (468), (1); four hundred and seventy-one (471) to four hundred and ninety-three (493), both numbers inclusive (23), were issued as aforesaid on the 18th day of May, A. D. 1875. Numbers four hundred and ninety-four (494) to five hundred and twenty-two (522), both numbers inclusive (29); five hundred and twenty-four (524) to five hundred and twenty-nine (529), both numbers inclusive (6); five hundred and thirty-two (532) and five hundred and thirty-three (533), (2); five hundred and thirty-five (535) to five hundred and forty-five), both numbers inclusive (11); five hundred and forty-seven (547) and five hundred and forty-eight (548), (2); five hundred and fifty-one (551) to five hundred and fifty-nine (559), both numbers inclusive (9); five hundred and sixty-five (565) to five hundred and seventy-five (575), both numbers inclusive (11); five hundred and eighty-one (581) to seventeen hundred (1700), both numbers inclusive (1,120); seventeen hundred and twenty-seven (1727) to three thousand and forty-nine (3,049), both numbers inclusive (1,323); three thousand and fifty-one (3,051) to three thousand one hundred and eight (3,108), both numbers inclusive (58); three thousand one hundred and thirteen (3,113) to three thousand one hundred and fifty-seven (3,157), both numbers inclusive (45); three thousand one hundred and fifty-nine (3,159) and three thousand one hundred and sixty (3,160), (2); three thousand one hundred and sixty-three (3,163) and three thousand one hundred and sixty-four (3,164), (2); three thousand one hundred and sixty-six (3,166) to three thousand one hundred and seventy-three (3,173), both numbers inclusive (8); three thousand one hundred and seventy-five (3,175) to three thousand two hundred and thirteen (3,213), both numbers inclusive (39); three thousand two hundred and sixteen (3,216) to three thousand four hundred and fifty-seven (3,457), both numbers inclusive (242); three thousand four hundred and sixty-five (3,465) to three thousand four hundred and sixty-seven

(3,467), both numbers inclusive (3); three thousand four hundred and sixty-nine (3,469) to three thousand five hundred and twelve (3,512), both numbers inclusive (44); three thousand five hundred and fourteen (3,514) to three thousand five hundred and forty-nine (3,549), both numbers inclusive (36); three thousand five hundred and fifty-one (3,551) to three thousand five hundred fifty-three (3,553), both numbers inclusive (3); three thousand five hundred and fifty-five (3,555) to three thousand seven hundred and forty-three (3,743), both numbers inclusive (189); three thousand seven hundred and forty-nine (3,749) to three thousand seven hundred and sixty-two (3,762), both numbers inclusive (14); three thousand seven hundred and sixty-four (3,764) to three thousand eight hundred and sixteen (3,816), both numbers inclusive (53); three thousand eight hundred and fifty-nine (3,859) to four thousand and twenty (4,020), both numbers inclusive (162); were issued as aforesaid on the 24th day of May, A. D. 1875. Numbers four thousand and twenty-two (4,022) to four thousand and thirty-four (4,034), both numbers inclusive (13); four thousand and thirty-six (4,036) to four thousand and eighty-three (4,083), both numbers inclusive (48); four thousand and eighty-five (4,085), (1); four thousand and eighty-seven (4,087) to four thousand one hundred and eight (4,108), both numbers inclusive (22); four thousand one hundred and fourteen (4,114) to four thousand eight hundred and twenty (4,820), both numbers inclusive (707); were issued as aforesaid on the 8th day of September, A. D. 1876. And numbers four thousand eight hundred and twenty-one (4,821) to five thousand two hundred (5,200), both numbers inclusive (380); five thousand two hundred and six (5,206), (1); five thousand two hundred and eleven (5,211) to five thousand two hundred and twenty (5,220), both numbers inclusive (10); five thousand two hundred and twenty-two (5,222) to five thousand two hundred and thirty-three (5,233), both numbers inclusive (12); five thousand two hundred and thirty-six (5,236) to five thousand two hundred and thirty-eight (5,238), both numbers inclusive (3); were issued as aforesaid on the 16th day of February, A. D. 1877, making a total of four thousand seven hundred and sixty-eight (4,768) certificates for six hundred and forty (640) acres of land each, equal to three million fifty-one thousand five hundred and twenty (3,051,520) acres.

But from this conveyance there is saved and excepted one hundred and sixty (160) acres of land located in Kinney county, Texas, by virtue of the aforesaid certificate number four thousand three hundred and fifty-five (4,355), the said 160 acres being part of Survey

No. 23, Block No. 6, of the surveys of the party of the first part in said Kinney county, and having been conveyed to John H. Jones by the said International and Great Northern Railroad Company, by deed dated November 20th, 1877.

From this conveyance there is also saved and excepted the following described unlocated balance land certificates, which were issued to the said International and Great Northern Railroad Company by the Commissioner of the General Land Office of the State of Texas as follows, to-wit: Number 22-29, for four hundred and fourteen (414) acres of land issued March 9th, 1878, as a balance on the aforesaid certificate No. 3,173; Number 22-65, for one hundred and sixty-seven (167) acres of land issued January 4th, 1877, as a balance on the aforesaid certificate No. 3,553; Number 22-133, for fifty-two (52) acres of land issued April 27th, 1877, as a balance on the aforesaid certificate No. 3,675; Number 22-137, for four hundred and forty (440) acres of land issued May 10th, 1877, as a balance on the aforesaid certificate No. 3,555; Number 22-145, for sixty 67-100 (60 67-100) acres of land issued May 10th, 1877, as a balance on the aforesaid certificate No. 3,472; Number 22-146, for forty-two (42) acres of land issued May 10th 1877, as a balance on the aforesaid certificate No. 3,494; Number 22-155, for forty-six (46) acres of land issued May 28th, 1877, as a balance on the aforesaid certificate No. 494; Number 22-159, for fifteen (15) acres of land issued June 7th, 1877, as a balance on the aforesaid certificate No. 568; Number 23-56, for thirty-four (34) acres of land issued May 1st, 1878, as a balance on the aforesaid certificate No. 699; Number 23-57, for three hundred and eighty (380) acres of land issued May 1st, 1878, as a balance on the aforesaid certificate No. 3,756; Number 33-79, for fifty-five acres of land issued June 6th, 1878, as a balance on the aforesaid certificate No. 3,457; Number 23-80, for eighteen (18) acres of land issued June 6th, 1878, as a balance on the aforesaid certificate No. 3,884; Number 23-82, for fifty-four (54) acres of land issued June 6th, 1878, as a balance on the aforesaid certificate No. 681; Number 23-87, for thirty (30) acres of land issued June 6th, 1878, as a balance on the aforesaid certificate No. 3,668; Number 23-88, for thirty-three (33) acres of land issued June 6th, 1878, as a balance on the aforesaid certificate No. 3,672; Number 23-98, for forty-nine (49) acres of land issued June 8th, 1878, as a balance on the aforesaid certificate No. 3,791; Number 23-100, for forty (40) acres of land issued June 8th, 1878, as a balance on the aforesaid certificate No. 3,795, making a total in un-

located balance certificates of nineteen hundred and twenty-nine 67-100 (1929 67-100) acres heretofore conveyed by the said party of the first part, which added to the said 160 acres of land makes a total of two thousand and eighty-nine 67-100 (2,089 67-100) acres to be deducted from the said three million fifty-one thousand five hundred and twenty (3,051,520) acres, thus leaving a balance of three million forty-nine thousand four hundred and thirty 33-100 acres (3,049,430 33-100) to be included, and which is hereby included in this conveyance.

It is the object and intent of this instrument to convey to the said party of the second part all of the said lands heretofore located, and not heretofore sold and conveyed, and also all the land and right in land, by virtue of the aforesaid certificates not heretofore located, and not previously sold and conveyed.

It is understood that the lands described in this indenture, as located by virtue of certain of the land certificates enumerated herein, are situated in the counties of Anderson, Atascosa, Cherokee, Colorado, Fort Bend, Freestone, Galveston, Guadaloupe, Harris, Henderson, Houston, Jackson, Leon, Liberty, Matagorda, Milam, Montgomery, Newton, Nacogdoches, Orange, Parker, Polk, San Jacinto, Trinity, Tyler, Walker, Wharton, Williamson, Carson, Gray, Hemphill, Hutchinson, Randall, Roberts, Cottle, Crosby, Dickens, King, Motley, Crockett, Dimmitt, Encinal, Frio, Kinney, LaSalle, Maverick, Pecos, Uvalde, Webb and Zavalla, in the State of Texas.

Any and all the aforesaid lands (if any) necessary for right of way, depots and shop grounds of and for any of the railroads now owned, or possessed by the said International and Great Northern Railroad Company, and now or heretofore appropriated for any of those purposes, are hereby *excepted* from this conveyance, and are not to pass or be affected by this deed.

Together with all and singular the tenements, hereditaments and appurtenances belonging to the aforesaid lands, or any of them, or in any wise appertaining thereto, and the reversion, remainder and remainders, rents, issues and profits thereof. Also, all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well at law as in equity, of the said party of the first part of, in and to the same and every part and parcel thereof, with the appurtenances.

To have and to hold, the hereinabove granted, bargained and described premises, with the appurtenances, unto the said parties of the second part, their heirs and assigns, and unto the survivors and

survivor of them, and to the heirs and assigns of the survivors and survivor of them, as joint tenants, and not as tenants in common, to their own use, benefit and behoof forever.

In witness whereof, the said International and Great Northern Railroad Company hath hereunto set its corporate seal to this and forty-nine other deeds in the words and figures of this, each of which is here made an original deed, and each is attested by the signatures of the now President and Assistant Secretary, of the party of the first part, on the day of A. D. 1879, and intended to take effect from the 10th day of March, 1879.

International and Great Northern Railroad Company,
By President.
Attest: Assistant Secretary.

Signed, sealed and delivered in the presence of

ARTICLES OF INCORPORATION

OF THE

GEORGETOWN RAILROAD COMPANY.

We, the undersigned, Emzy Taylor, Moses E. Steele, John J. Dimmitt, Thomas P. Hughes, Duncan G. Smith, Frank L. Price, W. K. Makemson, Samuel M. Strayhorn, Richard Sansom and J. L. Rucker, who reside in the county of Williamson, State of Texas, and who are subscribers to the stock of the Georgetown Railroad Company, being desirous of acquiring and enjoying the powers, immunities, rights and privileges of corporation, or body politic in law, as authorized by an act of the Legislature of the State of Texas, entitled "An Act to provide for the incorporation of associations that may be organized for the purpose of constructing railways, maintaining and operating the same; for prescribing and defining the duties, and limiting the powers of such corporations when so organized," approved August 15, 1876, do hereby associate ourselves under the above law, and for the above objects and purposes specified in the following articles of incorporation adopted by us:

Article I. The name of this corporation shall be Georgetown Railroad Company.

Art. II. The places to and from which it is proposed to construct said railway are as follows: From Georgetown to Round Rock, the said road being wholly in Williamson county.

Art. III. The place at which shall be established and maintained the principal business of said corporation is the town of Georgetown, Williamson county, Texas.

Art. IV. This corporation shall commence and date from the filing of this charter in the office of the Secretary of State, and shall

continue for fifty years, with privilege of renewal as provided by law.

Art. V. The amount of capital stock of this corporation shall be fifty thousand dollars.

Art. VI. The names and places of residences of the several persons forming this association for said incorporation are stated in the preamble to this article, viz: Emzy Taylor, Moses E. Steele, John J. Dimmitt, Thomas P. Hughes, Duncan G. Smith, Frank L. Price, W. K. Makemson, Samuel M. Strayhorn, Richard Sansom and J. L. Rucker.

Art. VII. The names of the first Board of Directors of the Georgetown Railroad Company shall be Emzy Taylor, Moses E. Steele, Thomas B. Hughes, David Love, J. L. Rucker, Duncan G. Smith, and John J. Dimmitt. The government and management of the affairs of said corporation shall be vested in a Board of Directors, seven in number, from whom a President and Vice President shall be chosen, and a Secretary, and a Treasurer, and such other officers and agents as may be determined upon by the Board of Directors.

Art. VIII. The number and amount of shares in the capital stock of said corporation shall be five hundred shares, of the par value of one hundred dollars each, making fifty thousand dollars, said amount of capital stock and number and amount of said shares in said corporation being a subscription of at least one thousand dollars per mile on the line of said railway. This May 16th, 1878.

(Signed.) Emzy Taylor,
J. L. Rucker,
W. K. Makemson,
F. L. Price,
Duncan G. Smith,
M. E. Steele,
S. M. Strayhorn,
R. Sansom,
Thos. J. Hughes,
J. J. Dimmitt.

State of Texas, }
County of Williamson. }

Before me, R. H. Price, a notary public in and for said county and State, this day personally appeared Emzy Taylor, Duncan G. Smith, M. E. Steele, John J. Dimmitt, Thomas P. Hughes, F. L.

Price, W. K Makemson, S. M. Strayhorn, Richard Sansom and J. L. Rucker, all of whom are to me well known, who acknowledged severally that they signed the foregoing articles of incorporation, and declared the same to be their act and deed for the uses and purposes therein expressed.

To certify which, I hereto set my hand and notarial seal, at office in Georgetown, Texas, this 23d day of May, A. D. 1878.

(Signed.) R. H. PRICE,
[L. S.] Notary Public, Williamson county, Texas.

THE STATE OF TEXAS, }
Williamson County. }

Before me, the undersigned authority, personally came Emzy Taylor, Duncan G. Smith and M. E. Steele, Directors named in the articles of incorporation of the Georgetown Railroad Company, hereto annexed, and each of whom are to me well known, who, being severally duly sworn, depose and say that the five per cent. of the amount of stock subscribed to said Georgetown Railroad Company, to-wit: the sum of twenty-five hundred dollars, has been paid in cash to the Directors named in said annexed articles of incorporation, and that stock, to the amount of one thousand dollars per mile, has been subscribed to said Railroad Company.

(Signed.) EMZY TAYLOR,
DUNCAN G. SMITH,
M. E. STEELE.

Sworn to and subscribed before me this 23d day of May, A. D. 1878.

(Signed.) R. H. PRICE,
[L. S.] Notary Public, Williamson county, Texas.

THE STATE OF TEXAS, }
ATTORNEY GENERAL'S OFFICE. }

This is to certify that the articles of incorporation of the Georgetown Railroad Company, to which this certificate is attached, were submitted to me on the 31st day of May, 1878, and after examining the same, I find them to be in accordance with the provisions of an "Act to provide for the incorporation of associations that may be organized for the purpose of constructing railways, maintaining and oper-

ating the same; for prescribing and defining the duties and limiting the powers of such corporations when so organized," approved August 15th, 1876, and not in conflict with the laws of the United States, or of this State.

Witness my hand, at Austin, Texas, this the 31st day of May, A. D. 1878.

(Signed.) H. H. BOONE,
Attorney General State of Texas.

[ENDORSED.]

Charter of Georgetown Railroad Company, filed in the Department of State May 31st, 1878, and recorded on pages 76, 77 and 78 of Record "A" of Railroad Charters.

(Signed.) I. G. SEARCY,
Secretary of State

THE STATE OF TEXAS,
DEPARTMENT OF STATE.

I, Jos. W. Baines, Secretary of State of the State of Texas, do hereby certify that the foregoing is a true copy of the original charter of the "Georgetown Railroad Company" with the endorsements thereon, as now appears of record in this Department.

Witness my official signature, and the seal of the State affixed, at the City of Austin, this 19th day of February, A. D. 1886.

J. W. BAINES,
Secretary of State.

[SEAL.]

AN ACT

TO INCORPORATE THE "HENDERSON AND OVERTON BRANCH RAILWAY COMPANY."

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That R. W. Oliver, Wiley Harris, Jiles S. Boggess, Jr., Wm. S. Moss, A. B. Collins, J. H. McLarty, A. D. Tinsley, Webster Flanagan, Taylor Brown, Sr., A. J. Smith, N. G. Bagley, Thomas Lloyd, Ras Redwine, R. R. Holton, T. J. Trammell, Sr., T. H. Coleman, James Hamelton, James Cliborne, J. E. Norvell, T. J. Lacy, A. R. Crow, Ruben Cook, Dr. A. C. Neal, Arthur Buckner, and such others as they may associate with them, are hereby created a body politic and corporate under the name of the "Henderson and Overton Branch Railroad Company," and by such name they may sue and be sued, make contracts, have and hold real and personal property by grant, donation or purchase, or sell, transfer or alienate the same. Said Company shall have succession for ninety-nine years, and a corporate seal.

SEC. 2. That said persons named in the first section of this act, their associates, or assigns, shall constitute the first Board of Directors. They shall have the right to elect a President, Vice President, Secretary, Treasurer and Attorney; the other officers and agents of the Company shall be appointed in such manner as the said Directors may ordain and establish. The said Directors shall have power to make by-laws, rules and regulations for their government, so as to carry out the intent of this act, and to appoint an Executive Committee, and confer upon it such powers as they may see fit, not inconsistent with the laws of the State or United States; to provide for the future election of officers, and to fix the place for the principal office of the Company, and change the same at pleasure; to provide for issuing of stock and transfer of the same; to provide for issuing of the bonds of the Company; to mortgage and hypothecate the road-bed, voting stock and all other property of said Company; to raise funds to build or equip said road.

SEC. 3. That said Company shall have the right to construct,

own and operate a first class road of whatever *guage* they may see proper, from Overton, on the International Railroad, to Henderson, in Rusk county, Texas. That said Company shall have the right to connect their road with the International Railroad, at Overton; *provided*, that if the gauge of the road is under four feet eight inches and a half and not less than three feet, the Company shall be entitled to only twelve sections of land to the mile of its road so completed and constructed.

SEC. 4. Said Company shall have the right of way along their entire route, not to exceed two hundred feet in width over all lands of the State, and the free use of rock, timber, gravel and earth thereof, and the terms of the general laws of this State to procure the release of the right of way from the owners of the lands along the route, and shall have the right to construct and operate a telegraph line along their entire route, and to build and construct bridges across all streams along their line.

SEC. 5. That this Company shall receive sixteen sections of land for every mile of said road that shall be constructed and put in good running order.

SEC. 6. That the capital stock of said Company shall be two hundred thousand dollars, with the privilege of increase to any sum not to exceed six hundred thousand dollars, divided into shares of one hundred dollars each.

SEC. 7. Said Company shall have the whole line completed in five years from and after the passage of this act.

Approved April 29, 1874.

ARTICLES OF INCORPORATION

OF THE

AUSTIN AND OATMANVILLE RAILWAY COMPANY.

KNOW ALL MEN BY THESE PRESENTS,

That we, A. Taylor, J. V. Farwell and C. B. Farwell, who reside in Cook county, State of Illinois, A. C. Babcock, who resides in Fulton county, State of Illinois, H. M. Hoxie, who resides in the city of St. Louis, State of Missouri, and J. T. Brackenridge, A. P. Wooldridge, Gustav Wilke, J. W. Robertson and W. D. Williams, who reside in the city of Austin, county of Travis, and State of Texas, and our associates, subscribers to the capital stock of the Austin and Oatmanville Railway Company, being desirous of organizing and enjoying the powers, privileges, rights and immunities of a corporation, or body politic in law, for the purpose of constructing, owning, maintaining and operating a railroad in the State of Texas under and by virtue of the provisions of the general laws of said State, as embraced in Title LXXXIV. of the Revised Statutes, respecting railroads, and the amendments thereof, do hereby for ourselves, our associates, successors and assigns, associate ourselves under the corporate name, and for the objects and purposes set forth and specified in the following articles of incorporation, to-wit:

Article I. The name of this corporation shall be "The Austin and Oatmanville Railway Company."

Art. II. The places from and to which it is proposed to construct said railroad are as follows, to-wit: Said railroad to commence at Kouns Station on the International and Great Northern Railroad, about five miles south of Austin, in Travis county, Texas, and to run thence by the most practicable route through said

county of Travis, and is to terminate at the village of Oatmanville, in said county of Travis. The length of said proposed railroad is six (6) miles, and the same shall intersect and connect with the International and Great Northern Railroad at said Kouns Station.

Art. III. The principal business office of said corporation shall be established and maintained in the city of Austin, Travis county, Texas.

Art. IV. This corporation shall commence its corporate existence at and shall date from the filing of these articles in the office of the Secretary of State, and shall continue for a period of fifty years.

Art. V. The amount of the capital stock of this corporation shall be one hundred thousand dollars.

Art. VI. The names and residences of the several persons forming this association for the incorporation of this Company are as follows: A. Taylor, J. V. Farwell and C. B. Farwell, who reside in the city of Chicago, county of Cook, and State of Illinois, A. C. Babcock, who resides in the city of Canton, county of Fulton, and State of Illinois, H. M. Hoxie, who resides in the city of St. Louis, and State of Missouri, and J. T. Brackenridge, A. P. Wooldridge, Gustav Wilke, J. W. Robertson and W. D. Williams, who reside in the city of Austin, Travis county, State of Texas.

Art. VII. The first Board of Directors of said corporation shall be composed of seven members, as follows: A. Taylor, C. B. Farwell and A. C. Babcock, who are resident citizens of the State of Illinois, and J. T. Brackenridge, A. P. Wooldridge, Gustav Wilke and W. D. Williams, who are resident citizens of the State of Texas. The government of this corporation and the management of its affairs shall be vested in a Board of Directors composed of seven persons as aforesaid; a President, who shall be a member of the Board of Directors, and such other officers and agents as this corporation, by its by-laws, may designate.

Art. VIII. The capital stock of this corporation shall be divided into one thousand shares of the value of one hundred dollars each.

In witness whereof, and of the adoption of the foregoing as the articles of incorporation of the Austin and Oatmanville Railway Com-

pany, we, the undersigned subscribers, have hereto signed our names this 25th day of October, A. D. 1883.

(Signed.) A. Taylor,
John V. Farwell,
C. B. Farwell,
A. C. Babcock,
H. M. Hoxie,
J. T. Brackenridge,
A. P. Wooldridge,
Gustav Wilke,
J. W. Robertson,
W. D. Williams.

State of Illinois, }
County of Cook. }

Before the undersigned authority, within and for said county and State, on this day came and personally appeared A. Taylor, C. B. Farwell and A. C. Babcock, three of the Directors named in the foregoing and attached articles of incorporation of the Austin and Oatmanville Railway Company, all of whom are personally known to me, and who, being by me severally sworn as the law provides, on their oaths severally depose and say that the amount of one thousand dollars per mile for every mile of said proposed road has been in good faith subscribed; that five per cent. of the amount subscribed has been actually paid to the Directors named in said articles of incorporation, and that the incorporators named in said articles are all subscribers to said capital stock.

(Signed.) A. Taylor,
C. B. Farwell,
A. C. Babcock.

Sworn to and subscribed before me, by the said A. Taylor, C. B. Farwell and A. C. Babcock, at my office in the city of Chicago, this 31st day of October, A. D. 1883.

Witness my hand and seal of office attached.

(Signed.) Enoch Howard,
[L. S.] Notary Public, Cook County, Illinois.

ATTORNEY GENERAL'S OFFICE.
AUSTIN, November 5th, 1883.

This is to certify that the original articles of incorporation of the Austin and Oatmanville Railway Company were submitted to me on the 5th day of November, 1883, and that having carefully examined the same, I find them in accordance with the provisions of Chapter One, Title LXXXIV., of the Revised Statutes of Texas, and not in conflict with the laws of the United States, or of the State of Texas.

(Signed.) JOHN D. TEMPLETON,
Attorney General.

[ENDORSED.]

Articles of incorporation of the Austin and Oatmanville Railway Company, filed for record in the Department of State, November 5, 1883.

(Signed.) J. W. BAINES,
Secretary of State.

THE STATE OF TEXAS,
DEPARTMENT OF STATE.

I, Jos. W. Baines, Secretary of State of the State of Texas, do hereby certify that the foregoing is a true copy of the original charter of the "Austin and Oatmanville Railway Company" with the endorsements thereon, as now appears of record in this Department.

Witness my official signature, and the seal of the State affixed, at the City of Austin, this 17th day of July, A. D. 1885.

J. W. BAINES,
[SEAL.] Secretary of State.

RESOLUTION OF THE STOCKHOLDERS

OF THE

International and Great Northern Railroad Company

AUTHORIZING LEASE OF THE

GALVESTON, HOUSTON AND HENDERSON RAILROAD.

WHEREAS, Preliminary negotiations are pending for a lease by this Company, of the property and franchises of the Galveston, Houston and Henderson Railroad Company of 1882, a corporation of the State of Texas, owning and operating a line of railroad between the cities of Galveston and Houston, in said State, and for the purchase of the capital stock of said Company, as reorganized, or by other means to control the lines of said Company; and also, for this Company to guarantee the payment of the principal and interest on two millions of dollars of five per cent. thirty year bonds about to be issued by said Galveston, Houston and Henderson Railroad Company, as reorganized, and the stockholders of this Company believing their interests will be protected by the acquisition of the properties of said Company, thus enabling it to operate its lines into the city of Galveston, and there connect with the water lines of the Gulf of Mexico;

THEREFORE, RESOLVED, That the Board of Directors, or the Executive Committee of this Company be, and are hereby authorized and empowered to enter into such running and traffic arrangements with the Galveston, Houston and Henderson Railroad Company of 1882, or to acquire the control of the properties of said Company by the purchase of its stock, or by lease, for a term of years, of the properties of said Company, or both, as they may decide to be for the best interests of this Company, and upon such terms as said

Board or Executive Committee may deem advisable; and in consideration thereof said Board, or said Executive Committee, are authorized and empowered to guarantee the punctual payment of the principal and interest as therein stipulated, on an issue of two millions of dollars of said Galveston, Houston and Henderson Railroad Company's first mortgage five per cent. bonds, according to their tenor and effect. Said Board of Directors, or Executive Committee of this Company, are fully authorized to do such acts and things as may be necessary to substantially carry into effect the provisions of this resolution.

International and Great Northern Railroad Company

TO

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY.

LEASE,

DATED JUNE 1, 1881.

THIS INDENTURE, made this first day of June, one thousand eight hundred and eighty-one, between the INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY, of the first part, and the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, of the second part.

WHEREAS, The railroads of the parties hereto connect directly with each other at Mineola, in Wood county, Texas, and a further connection will be made during the present year of the line of the party of the second part, via Fort Worth, with the line of railway of the party of the first part, at some point in Williamson or Milam county, Texas;

AND WHEREAS, The said parties hereto are desirous of entering into a lease and contract with each other in respect to the use, management and working of the railroads of the party of the first part;

NOW THIS INDENTURE WITNESSETH:

That the party of the first part, for and in consideration of the covenants and agreements hereinafter contained on the part of the said party of the second part to be kept and performed, has leased, demised and to farm-let, and by these presents does lease, demise and to farm-let unto the party of the second part, and it does hereby.

take the railroad and branches of the party of the first part in the State of Texas, as follows, to-wit:

A line of railway from Longview, via Overton, Troupe and Palestine, to Houston, a distance of two hundred and thirty-two miles, more or less;

A line of railway from Palestine, via Hearne and Austin, to San Antonio, a distance of two hundred and sixty-two miles, more or less;

A line of railway from Mineola to Troupe, a distance of forty-four miles, more or less;

A line of railway from Overton to Henderson, a distance of sixteen miles, more or less;

A line of railway from Phelps to Huntsville, a distance of eight miles, more or less;

A line of railway from Round Rock to Georgetown, a distance of ten miles, more or less;

A line of railway from Houston to Columbia, a distance of fifty miles, more or less;

A total distance of six hundred and twenty-two (622) miles, more or less, of railroad now completed and in operation, together with all the branch roads and sidings, depots, stations, buildings, equipments, machine and other shops, machinery, tools, appurtenances and property, real and personal, to said demised railroad belonging and appertaining, as well that now owned as that hereafter to be acquired by the said party of the first part, at and between the said before mentioned points, or as appertaining thereto, excepting, however, from the demised premises all lands and land grants or scrip for lands granted, owned or held, or hereafter to be acquired by the party of the first part, and all property not needed in connection with or necessary to the use and operation of the said demised railroads.

To have and to hold the said demised property, real and personal, unto the said party of the second part, its successors and assigns, to and for the full end and term of ninety-nine (99) years from the date hereof to be fully completed and ended.

That in consideration of the premises, the party of the first part hereby covenants and agrees that the party of the second part, or its successors and assigns, shall at all times during the terms afore-

said have full and exclusive power, right and authority to use, manage and work the said railroad of the said first party, and shall have the right to fix the tolls thereon, but not at a higher rate than is authorized by the charter of the first party hereto; and further, that the said party of the second part, and its successors or assigns, shall have full, free and exclusive right to collect all of the said tolls on and freight charges and dues to accrue from said railroad during said term, and to appropriate the same in the way and manner hereinafter mentioned, and shall have, use, exercise and enjoy all the rights, powers and authority aforesaid, and all other lawful powers and privileges which can or may be lawfully exercised and enjoyed on and about the said demised railroad and property, as exclusively, fully and amply as the same might or could have been used, exercised and enjoyed by the said party of the first part had this lease and contract not have been made, and as exclusively, fully, amply and entirely as the said party of the first part has authority by law to grant the same.

It is understood, however, that the lessee company has no power to make any mortgage upon the hereby demised property which shall in any way affect the rental to be paid to the party of the first part hereunder.

And in consideration of the premises the party of the second part hereby covenants and agrees to and with the said party of the first part, as follows, viz:

First. That the party of the second part, or its successors and assigns, shall and will at all times during the continuance in force of these presents, work, use, manage, maintain, operate and keep in public use the railroad of the party of the first part with the appurtenances, and will work, use, and efficiently operate the said railroad and appurtenances, and will, from time to time, provide such additional locomotives, cars and rolling stock as in the judgment of the second party shall be required for and properly adapted to promptly and fully accommodate the business tributary to the roads hereby demised, and shall and will use all reasonable diligence to collect and receive all the said tolls, freight charges and dues which shall accrue as aforesaid, and apply and appropriate the same in the way and manner following, to-wit:

Firstly. To the payment of the annual cost of repairing, maintaining and perpetuating for public use the said railroad, with its equipment and property appurtenant thereto, and all the expenses of

working, using, managing, maintaining, operating and running the same, including reasonable compensation for the use of engines and cars actually employed thereon, but not owned by the party of the first part, and the cost of any new equipment, side tracks, stations, depots, lands and reasonable or necessary betterments of every kind that the party of the second part may, from time to time, deem necessary to procure or provide for the business of said road, and also including premiums for insurance and all tolls, taxes and assessments now or hereafter levied or assessed under laws of the United States and of the State of Texas upon the traffic passing over the said railroads, and upon the property of the party of the first part now or hereafter acquired by the party of the second part by and under this lease.

Secondly. To the payment of the necessary expenses of maintaining the organization of the International and Great Northern Railroad Company, including maintenance of general offices of the Company in the City of New York, expenses of a Transfer Agency and Registrar of the Stock and Bonds of the first party, and for paying the interest on its mortgage debt, etc.

Thirdly. To the payment of interest as the same shall become due and payable, from time to time, upon the following mortgage bonds, covering the railroad and property embraced in this lease, and including the obligation of the first party as guarantee of the bridge bonds named as follows, to-wit:

On $6,434,000,000 of its first mortgage six per cent. bonds;

On$225,000 Colorado Bridge Company seven per cent. first mortgage bonds;

On $5,534,000 of its second mortgage six per cent. bonds;

On as many of the first and second mortgage six per cent. bonds of the first party as have been or may hereafter be issued upon road now under construction and to be operated hereunder when completed.

Fourthly. To pay any surplus remaining to the party of the first part, to be applied by the said first party to the payment of interest on any other bonds of the first party, or for such other purposes as shall be determined from time to time by the Board of Directors of the first party.

SECOND. If the net or surplus revenues shall not be sufficient to provide for the fixed charges on the demised property, the lessee or its successors or assigns may elect to advance the funds required from time to time to pay interest on bonds and other fixed charges.

and such advances shall be a preferred debt and lien next to the said first and second mortgages, to be paid by the party of the first part, and the same is secured by the future net revenues of said first party, and such advances are hereby made an equitable lien on the demised property.

If the lessee, however, elects not to advance any such deficit, and the interest on the first and second mortgage bonds shall remain unpaid for a period of six months, the lessor company may thereupon elect to terminate this lease, and to receive back the property on the payment of any balance of indebtedness then due from it to the lessee.

THIRD. And it is further covenanted and agreed by and between the parties hereto, that the extension now under construction by the party of the first part, in Texas, from San Antonio to a point at or near Laredo, on the Rio Grande, and all such other extensions and branches as shall during the continuance of these presents be made by the party of the first part under its charter powers, either by purchase, lease, joint-ownership, or under any arrangement for joint use of other roads, construction or otherwise, whenever such additional road or branches shall be completed or acquired and ready for operation, shall be and the same are embraced herein, and shall be taken and operated by the party of the second part under like terms and conditions with those specified for the six hundred and twenty-two miles before mentioned.

FOURTH. That the party of the second shall and will at all times during the hereby demised term, keep the buildings upon the lands hereby demised, insured in the usual manner against loss by fire, paying the premiums therefor, as aforesaid, and will keep the said demised railroad, equipment and property in good order and repair, and will at the expiration of this lease and contract, yield and deliver up the hereby demised railroad and appurtenances in the same good order and repair that the same are now in, or may be put in during the hereby demised term, casualities, acts of God and the elements and reasonable wear and tear excepted.

FIFTH. That the party of the second part, or its successors and assigns, shall keep accurate accounts of all the business receipts and revenues arising from the said demised railroad and property and all the expenses of operating the same, and their books relating thereto shall be subject to the examination of the President and Vice-President of the party of the first part, or of any agent duly authorized

by them to examine the same, and the party of the second part, or its successors and assigns, shall furnish to the party of the first part monthly accounts of the gross receipts and expenditures, and a semi-annual account of all the said business receipts and revenues and expenditures under this indenture.

And the President, Vice-President and Committees of the Board of Directors, and all duly appointed agents of the party of the first part, shall have the right at all times to travel without charge over the hereby demised railroad for the purpose of ascertaining as to the business and management of the said railroad, and reporting thereon to the party of the first part.

SIXTH. It is further understood and agreed that in case a plan or agreement shall be perfected and entered into for the management and operation of the railways of the parties hereto, or either of them, with other Southwestern Railways under one organization or company, this lease shall thereupon, at the election of the lessee, or its successors or assigns, cease and determine.

SEVENTH. That if any difference shall arise in relation to this lease and contract between the parties hereto, each of the said parties shall select a referee of experience and skill in railway management, and the said referees shall select another of like experience and skill, and the three so chosen shall hear and decide such differences, and their decision, or that of a majority of them, shall be final and conclusive upon the parties hereto.

In witness whereof the parties hereto have caused this indenture to be signed by their respective Vice President and President, and their respective corporate seals to be hereto affixed, attested by their respective Secretaries this first day of June, 1881.

INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY.

[L. S.] By THOS. PEARSALL,
Attest: Vice-President.
JACOB S. WETMORE,
Assistant Secretary.

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY.

[L. S.] By JAY GOULD, President.
Attest:
H. B. HENSON,
Secretary.

STATE OF NEW YORK,
City and County of New York, } ss.

Be it remembered, that on this fifth day of September, A. D. 1881, before me, Charles Edgar Mills, Commissioner for Texas, and Notary Public, in and for the State and county of New York, residing in said city of New York, personally appeared Thos. W. Pearsall, the Vice President, and Jacob S. Wetmore, the Assistant Secretary of the International and Great Northern Railroad Company, to me respectively personally known to be such, who, being by me severally duly sworn, did depose and say that he, said Thos. W. Pearsall, resides in New York City, State of New York; that he, said Jacob S. Wetmore, resides in Englewood, New Jersey; that he, said Thos. W. Pearsall, is the Vice President; and he, said Jacob S. Wetmore, is the Assistant Secretary of the said Company; that they both know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said Thos. W. Pearsall and Jacob S. Wetmore, as such Vice President and Assistant Secretary, signed the name of said Company, and their own names thereto, by the like order, as Vice President and Assistant Secretary of said Company, respectively, and they each, respectively, being personally known to me to be the same persons whose names are signed to the foregoing instrument as parties thereto, acknowledged to me that they signed, sealed and executed the same as their own free and voluntary act and deed, and as the free and voluntary act and deed of the said Company, for the purposes and objects therein stated.

In witness whereof, I have hereunto set my hand and affixed my official seal this, the fifth day of September, A. D. 1881.

(Signed.) CHARLES EDGAR MILLS,
[L. S.] Commissioner for Texas in New York.

(Signed.) CHARLES EDGAR MILLS,
[L. S.] Notary Public for New York County in New York.

STATE OF NEW YORK,
City and County of New York, } ss.

Be it remembered, that on this seventeenth day of September, A. D. 1881, before me, Charles Edgar Mills, a Notary Public, in and for the State and county of New York, residing in said city of New York, personally appeared Jay Gould, the President, and H. B. Henson, Secretary of the Missouri, Kansas and Texas Railway Company, to me respectively personally known to be such, who, being by me severally duly sworn, did depose and say that he, said Jay Gould, resides in New York City, State of New York; that he, said H. B. Henson, resides in Brooklyn, New York; that he, said Jay Gould, is the President; and he, said H. B. Henson, is the Secretary of the said Company; that they both know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said Jay Gould and H. B. Henson as such President, signed the name of said Company, and their own names thereto, by the like order, as President and Secretary of said Company, respectively, and they each, respectively, being personally known to me to be the same persons whose names are signed to the foregoing instrument as parties thereto, acknowledged to me that they signed, sealed and executed the same as their own free and voluntary act and deed, and as the free and voluntary act and deed of the said Company, for the purposes and objects therein stated.

In witness whereof, I have hereunto set my hand and affixed my official seal this the seventeenth day of September, A. D. 1881.

(Signed.) CHARLES EDGAR MILLS,
[L. S.] Commissioner for Texas in New York.

(Signed.) CHARLES EDGAR MILLS,
[L. S.] Notary Public for New York County in New York.

AGREEMENT

BETWEEN

THE MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY

AND

INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY.

DATED MAY 2, 1888.

AGREEMENT made this second day of May, 1888, between the Missouri, Kansas and Texas Railway Company, party of the first part, and the International and Great Northern Railroad Company, party of the second part, witnesseth:

WHEREAS, In and by an Indenture of Lease made between the parties hereto, dated on the first day of June, 1881, the party hereto of the second part did by the terms thereof lease, demise and to farm-let unto the party hereto of the first part, and said party of the first part did likewise take for a period of ninety-nine years from the date of said lease, the railroad and branches of the said party of the second part, described in said lease as follows, to-wit:

A line of railway from Longview, via Overton, Troupe and Palestine, to Houston, a distance of two hundred and thirty-two miles, more or less;

A line of railway from Palestine, via Hearne and Austin, to San Antonio, a distance of two hundred and sixty-two miles, more or less;

A line of railway from Mineola to Troupe, a distance of forty-four miles, more or less;

A line of railway from Overton to Henderson, a distance of sixteen miles, more or less;

A line of railway from Phelps to Huntsville, a distance of eight miles, more or less;

A line of railway from Round Rock to Georgetown, a distance of ten miles, more or less;

A line of railway from Houston to Columbia, a distance of fifty miles, more or less;

A total distance of six hundred and twenty-two (622) miles, more or less, of railroad now completed and in operation, together with all the branch roads and sidings, depots, stations, buildings, equipments, machine and other shops, machinery, tools, appurtenances and property, real and personal, to said demised railroad belonging and appertaining, as well that now owned as that hereinafter to be acquired by the said party of the first part, at and between the said beforementioned points, or as appertaining thereto, excepting, however, from the demised premises, all lands and land grants or scrip for lands granted, owned or held, or hereafter to be acquired by the party of the first part, and all property not needed in connection with or necessary to the use and operation of the said demised railroads, as will more fully appear by reference to said Indenture;

And Whereas, There have been lately begun and are now pending in the District Court of Travis county, Texas, proceedings against the said International and Great Northern Railroad Company, party of the second part, instituted in the name of the State of Texas, upon the relation of the Attorney General of said State, wherein the making of said Indenture of Lease of its railroad and property by the said party of the second part is claimed, on the part of the said State, to have been unauthorized by the laws of Texas, and is set forth and relied on by the said State of Texas as a ground of forfeiture of the corporate rights and franchises of the said party of the second part;

And Whereas, Although said Indenture of Lease was made and executed by the parties hereto in good faith, and in the exercise of a supposed legal faculty in that behalf enjoyed by each of the said parties, it is not the desire of either party hereto to maintain a re-

lation which may be even seemingly in conflict with the laws of the State of Texas;

NOW, THEREFORE, In consideration of the premises, and in further consideration of the sum of one dollar to each of the parties hereto by the other, in hand paid, receipt whereof is by each acknowledged, it is hereby mutually agreed and declared that the said Indenture of Lease, dated the first day of June, 1881, whereby the party hereto of the second part, by the terms thereof, leased, demised and to farm-let to the party hereto of the first part the lines of railroad, branches and property herein above described, be and the same is hereby abrogated, canceled and annulled; and the party of the first part hereby surrenders and restores to the party of the second part, and the party of the second part hereby takes and resumes the possession, enjoyment, management and control of the lines of railway, property and rights embraced in and covered by said lease. Executed in ten duplicate originals, each complete, and all to serve as one.

In witness whereof, the parties hereto have caused these presents to be signed by their President and Vice-President, respectively, and their respective corporate seals to be hereto affixed, attested by their Secretaries, respectively, this 2d day of May, A. D. 1888.

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY.

[L. S.] By JAY GOULD, President.

Attest:

H. B. HENSON,
Secretary.

INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY.

[L. S.] By S. H. H. CLARK,
Vice-President.

Attest:

D. S. H. SMITH,
Secretary.

STATE OF NEW YORK,
City and County of New York, } ss.

Be it remembered, that on this second day of May, A. D. 1888, before me, George S. Clay, a Notary Public, in and for the City and county of New York, personally appeared Jay Gould, the President, and Henry B. Henson, Secretary of the Missouri, Kansas and Texas Railway Company, to me respectively personally known to be such, who, being by me severally duly sworn, did depose and say that he, said Jay Gould, resides in New York City, State of New York; that he, said Henry B. Henson, resides in the city of Brooklyn, Kings county, New York; that he, the said Jay Gould, is the President; and he, the said Henry B. Henson, is the Secretary of the said Railway Company; that they both know the corporate seal of the said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that the said Jay Gould and Henry B. Henson as such President and Secrerary, signed the name of said Company, and their own names thereto, by like order, as President and Secretary of said Company, respectively, and they each, respectively, being personally known to me to be the same persons whose names are signed to the foregoing instrument acknowledged to me that they signed, sealed and executed the same as their own free and voluntary act and deed, and as the free and voluntary act and deed of the said Company, for the purposes and objects therein stated.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year last above written.

GEO. S. CLAY,
[L. S.] Notary Public, Kings County, N. Y.

Certificate filed in New York county.

STATE OF NEW YORK,
City and County of New York. } ss.

Be it remembered, that on this 3d day of May, A. D. 1888, before me, George S. Clay, a Notary Public in and for the City and county of New York, personally appeared S. H. H. Clark, the Vice President, and D. S. H. Smith, the Secretary of the International and Great Northern Railroad Company, to me respectively personally known to be such, who, being by me severally duly sworn, did de-

pose and say that he, the said S. H. H. Clark, resides in the city of St. Louis, State of Missouri, and that he, the said D. S. H. Smith, resides in said city of St. Louis, State of Missouri; that he, the said S. H. H. Clark, is the Vice President, and he, the said D. S. H. Smith, is the Secretary of the said Railway Company; that they both know the corporate seal of the said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that the said S. H. H. Clark and D. S. H. Smith, as such Vice President and Secretary, signed the name of said Company, and their own names thereto, by like order, as Vice President and Secretary of said Company, respectively, and they each, respectively, being personally known to me to be the same persons whose names are signed to the foregoing instrument, acknowledged to me that they signed, sealed and executed the same as their own free and voluntary act and deed, and as the free and voluntary act and deed of the said Company, for the purposes and objects stated therein.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year last above written.

GEO. S. CLAY,
[L. S.] Notary Public, Kings County, N. Y.

Certificate filed in New York county.

THE STATE OF TEXAS, }
County of Anderson. }

I, Z. A. McReynolds, County Clerk of Anderson county, do hereby certify that the foregoing instrument of writing, being an agreement between the Missouri, Kansas and Texas Railway Company and the International and Great Northern Railroad Company, dated the second day of May, A. D. 1888, with its certificate of authentication, was filed for registration in my office on the 18th day of May, A. D. 1888, at 3 o'clock p. m., and duly recorded on the 19th day of May, A. D. 1888, at 10 o'clock a. m., in the Records of Deeds of said county, in book volume 40, on pages Nos. 384, 85, 86 and 87.

In witness whereof, witness my hand and official seal, at office, this 19th day of May, A. D. 1888.

Z. A. MCREYNOLDS,
County Clerk Anderson County,
[L. S.] State of Texas.
By H. G. GATHRIGHT, Deputy.

INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY.

FIRST MORTGAGE.

NOVEMBER 1, 1879.

THIS INDENTURE, made this first day of November, in the year of our Lord one thousand eight hundred and seventy-nine, between the INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY, a corporation existing under the laws of the State of Texas, of the first part, and JOHN S. KENNEDY and SAMUEL SLOAN, of the City of New York, Trustees, of the second part:

WHEREAS, The said party of the first part has, simultaneously with the execution of this instrument, purchased from the parties of the second part a railroad in the State of Texas, running from the town of Longview to the city of Austin, and also from the town of Palestine to the city of Houston, and thence to the Brazos river, with branches from the town of Troupe to the town of Mineola, and from the town of Phelps to the town of Huntsville, and all the railroad at any time heretofore known by and operated under the name of the International Railroad, or the Houston and Great Northern Railroad, with certain rolling stock and appurtenances, and the right to construct lines of railroad southerly to San Antonio and the Rio Grande, and northerly to the Red River, as well as other lines, and is about to issue in part payment for the said property five thousand three hundred and seventy-four first mortgage bonds for the sum of one thousand dollars each, and five hundred first mortgage bonds for the sum of five hundred dollars each, and also intends to issue for the purpose of further construction a series of similar bonds for the sum of one thousand dollars each, to the amount hereinafter prescribed; all of which bonds, notwithstanding the same may be issued at different times, are equally secured by these presents, and are to

be authenticated by a certificate signed by said Trustees, and to be substantially in the following form:

THE INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY.

PURCHASE MONEY, FIRST MORTGAGE GOLD BOND.

No..... $.....

Interest at six per centum per annum, payable in gold, semi-annually.

Due November 1, 1919.

The International and Great Northern Railroad Company, for value received, hereby acknowledges itself indebted to John S. Kennedy and Samuel Sloan, trustees, or bearer, in the sum of dollars, United States gold coin, which sum the said Company promises to pay, at its agency in the City of New York, to the bearer, unless this bond is registered, and if registered, then to the registered holder thereof, in gold coin of the United States, of the present standard of weight and fineness, on the first day of November, in the year 1919, together with interest thereon at the rate of six per centum per annum from the first day of November, 1879, payable semi-annually in like gold coin, on the first days of May and November in each year, upon presentation of the annexed coupons, as they severally become due, at the said agency of the Company in the City of New York.

This bond is one of a series of like tenor and date, of which 5,374 for $1,000 each, and 500 for $500 each, have been issued in part payment for the purchase of the road and equipment, and ten for $1000 each, but no more, may be issued for each mile of completed road hereafter constructed or acquired by the said Company; all of which are equally secured by a purchase money mortgage or deed of trust of even date herewith, executed by the said Company to John S. Kennedy and Samuel Sloan, of the City of New York, as trustees, covering the entire railroad of the said Company, together with all the rolling stock, equipment, appurtenances, franchises (including the franchise to be a corporation), privileges and immunities of the Company, now owned or hereafter acquired.

Upon default in the payment of interest on this bond for six

months after it becomes payable, the trustees may declare the principal of all the bonds immediately payable, and must do so, if required by the holders of one-fourth of all such bonds.

This bond may be registered on the books of the Company, at its agency in the City of New York, after which no transfer, except upon the books of the Company, will be valid; but it is not to be deemed registered until the name of the holder is registered upon the back of the bond, as well as upon the books of the Company. It may be registered in favor of "bearer," after which it will be transferable by delivery alone until again registered in the name of the holder.

This bond shall not become obligatory until the certificate indorsed hereon is signed by the said trustees or their successors in the trust.

In witness whereof the said International and Great Northern Railroad Company has caused this bond to be subscribed by its President or Vice-President and Assistant Secretary, and its corporate seal affixed hereto, this first day of November, in the year one thousand eight hundred and seventy-nine.

THE INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY,

By ——— ———, President.

——— ———, Assistant Secretary.

COUPON.

The International and Great Northern Railroad Company will pay to the bearer, at its agency in the City of New York, dollars, in gold coin, on , being six months' interest due that day on its first mortgage bond No.

TRUSTEES' CERTIFICATE.

We hereby certify, that the International and Great Northern Railroad Company has executed to us a mortgage or deed of trust, as described in the within bond, and that no more of such bonds have been certified to by us than are authorized by said deed of trust.

———,

———,

Trustees.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That the said International and Great Northern Railroad Company, in order to secure the payment of the said bonds and interest thereon, and in consideration of the sum of one dollar to it paid by the parties of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, transferred and conveyed, and does hereby grant, bargain, sell, transfer and convey unto the said John S. Kennedy and Samuel Sloan, parties of the second part, as joint tenants, and not as tenants in common, and to the survivor of them, and to their successor or successors in this trust, their heirs and assigns, all and singular the lands, tenements and hereditaments of the said Railroad Company, now owned or hereafter to be acquired by it, including all its railroads, tracks, rights of way, main lines, branch lines, superstructures, depots, depot grounds, station houses, engine houses, car houses, freight houses, wood houses, sheds, watering places, work shops, machine shops, bridges, viaducts, culverts, fences, and fixtures, together with all its leases, leased or hired lands, leased or hired railroads, and all its locomotives, tenders, cars, carriages, coaches, trucks, and other rolling stock, its machinery, tools, weighing scales, turntables, rails, wood, coal, oil, fuel, equipment, furniture, and material of every name, nature, and description, now held, or hereafter to be acquired, together with all the corporate rights, privileges, immunities, and franchises of said Railroad Company, now held or hereafter to be acquired, including the franchise to be a corporation, and all the tolls, fares, freights, rents, income, issues and profits thereof, and all the reversion and reversions, remainder and remainders thereof, in trust however, for the uses and purposes hereinafter mentioned, excepting, however, and reserving from the lien of this mortgage all land grants, lands, land certificates, town lots and town sites now or at any prior time owned or controlled by the said Company, which are not now actually occupied and in use by the said Company and necessary to the occupation and maintenance of its lines of railroad.

TO HAVE AND TO HOLD the said property, premises, things, rights, privileges, immunities, and franchises hereby conveyed, or intended so to be, unto the said John S. Kennedy and Samuel Sloan, parties of the second part, or their survivor, successor or successors, and his or their heirs or assigns, as joint tenants and not as tenants in common, in trust for the owners and holders of the said bonds, or any of them, subject to the terms and stipulations of said bonds and of the

coupons thereto attached, and subject also to the possession, control and management of the Directors of the party of the first part, its successors or assigns, so long as it or they shall well and truly perform all and singular the stipulations of the said bonds and the covenants of this Indenture.

That the new bonds which may be issued, from time to time, under this mortgage shall not exceed ten thousand dollars for each mile of completed railroad, which shall be newly constructed or acquired by the party of the first part, its successors or assigns, after the execution of this mortgage, and no bonds shall be issued for railroads to which the party of the first part, its successors or assigns, have not a good and valid title; and if there is any lien or incumbrance upon railroads hereafter acquired by the party of the first part, its successor or assigns, the issue of new bonds on account of such railroads shall be withheld to the amount of such lien or incumbrance, until the same is discharged.

That the said Trustees, or their successors in the trust, may, in their discretion, accept a certificate, signed by the President and Chief Engineer of the party of the first part, its successors or assigns, as conclusive evidence of the number of miles of completed railroad so newly constructed or acquired, but not as evidence concerning the title thereto, or the liens or incumbrances thereon.

That in case the party of the first part, its successors or assigns, shall fail to pay the interest on any of the said bonds, at any time when the same may become due and payable, according to the tenor thereof, and shall continue in such default for six months after such payment has been demanded at its or their agency in the City of New York, then, and thereupon, the principal of all the bonds hereby secured shall be and become immediately due and payable, provided the said trustees give written notice to the party of the first part, its successors or assigns, of their option to that effect while such default continues, which notice they shall be bound to give, if required in writing to do so, by the holders of twenty-five per centum of said bonds then outstanding; and that in such case, or upon the principal of said bonds becoming in any other way due and payable, and remaining unpaid, in whole or in part, after demand thereof, the said trustees, or their successors in the trust, may, in their discretion, and shall, upon the request of the holders of fifty per centum of said bonds then outstanding, take, with or without entry or foreclosure, actual possession of said railroad, and of all and singular the property, things and effects hereby conveyed, and personally, or by at-

torney, manage and operate the same, and receive all the tolls, rents, incomes and profits thereof, until such time as the said bonds and interest thereon are fully paid or satisfied, and shall apply the money so received by them; first, to the expenses of the trust hereby created, and the management of the said railroad and its appurtenances, and the needful repairs thereof; next, to the payment of interest overdue upon the said bonds and interest upon delayed interest, and afterwards to the payment of the principal of said bonds. And the said trustees, or their successors in the trust, upon becoming entitled to take possession of the railroad and property aforesaid, may in their discretion and shall, on the written request of the holders of at least one-half of the bonds then unpaid and outstanding, cause the said premises so mortgaged to be sold, either as an entirety or in such parcels as they shall deem necessary or proper, having due regard to the interests [of all parties, to the highest] bidder at public auction, in the city of Austin, giving at least sixty days' notice of the time, place and terms of such sale, and of the specific property to be sold, and whether the same will be sold as an entirety or in parcels, by publishing such notice in two newspapers in said city of Austin, and in one or more newspapers in the City of New York, once in each week during the said term of sixty days, and that upon receiving the purchase money therefor the said trustees, or their successors in the trust, shall execute to the purchaser or purchasers thereof a good and sufficient deed of conveyance in fee simple, which sale and conveyance shall forever be a bar against the party of the first part, its successors and assigns, and all persons claiming under them, of all right, estate, interest or claim in or to the premises, property, things, franchises, privileges and immunities so sold, or any part thereof, whether the said trustees are in possession thereof or not; and the receipt of said trustees shall be a full and sufficient discharge to such purchasers; and no purchaser holding such receipt shall be liable for the proper application of the purchase money, or in any way bound to see that the same is applied to the uses of this trust, or in any manner answerable for its loss or misapplication, or bound to inquire into the authority for making such sale. And such sale, to a purchaser in good faith, shall be valid, whether said notice is given or not, and whether default in payment has been made or not.

That the said trustees shall, after deducting from the proceeds of such sale the costs and expenses thereof, and of the execution of this trust, and all payments for taxes, assessments and counsel fees, and their own reasonable compensation, apply so much of the proceeds

as may be necessary to the payment of the principal and interest remaining unpaid upon the said bonds and coupons, together with interest upon over-due interest down to the time of sale, without giving preference to either principal or interest; it being the intention of this indenture that so long as the railroad and its appurtenances shall be managed by the trustees or a receiver as a going concern, the income shall be applied to the payment of interest in preference to the principal, but that after a sale of the railroad and its appurtenances, no such preference shall be made in the distribution of the proceeds.

That upon any sale of the said premises, whether by the trustees, or under decree of the Court, the holders of the bonds hereby secured, or any of them, or the said trustees on behalf of all the the bondholders, shall have a right to purchase upon equal terms with other persons, and the bonds secured by this mortgage shall be receivable at such sale as cash for the amount of cash which would be payable on such bonds out of the proceeds of such sale.

That it is hereby expressly agreed that in no case shall any claim, benefit or advantage be taken by the party of the first part, its successors or assigns, of any valuation, appraisement, extension or relief laws, to prevent such entry or sale as aforesaid, and that nothing herein contained shall be construed as limiting the right of the said trustees to apply to the Courts for judgment or decree of foreclosure and sale under this indenture, or for the usual relief in the course of such proceedings; and the said trustees may, in their discretion, apply to any competent court for relief by way of foreclosure or otherwise, if so advised by counsel, instead of taking possession of or selling the said property when required to do so by bondholders.

That the party of the first part, its successors and assigns, hereby covenant and agree with the parties of the second part and their successors in the trust, that the proceeds of the bonds to be issued as hereinbefore mentioned, in addition to the specified number given for the purchase of the original property, shall be applied in good faith to the construction or purchase of additional railroad, and to the furnishing of additional equipment therefor.

That the party of the first part, its successors and assigns, further covenant and agree with the parties of the second part, and their successors in the trust, to make, execute and deliver all such further deeds, instruments and assurances as may from time to time be necessary, and as the parties of the second part, or their successors in the trust, may be advised by counsel learned in the law to be

necessary, for the better securing to the parties of the second part, and their successors in the trust, the premises hereby conveyed, and for carrying out the objects and purposes of this indenture.

That the parties of the second part, and their successors in the trust, may, upon the written request of the party of the first part, its successors or assigns, convey or release any lands which it or they may cease to use for its corporate purposes by reason of any change of location of any station house, buildings, or cattle yards, connected with the railroad, or by reason of any change of the track of said railroad, provided that, at the same time, such instruments shall be executed as will cause the lien of this mortgage to attach to all lands, tenements and hereditaments taken and used by the party of the first part, its successors or assigns, in place of the lands disused as aforesaid; and that in case of the sale of any such lands, without exchanging them for other lands, the proceeds of such sale shall be paid to the parties of the second part, or their successors in the trust, and be by them applied to the purchase of bonds secured by this mortgage, which bonds, when so purchased, shall be canceled, and a certificate of the respective numbers and amounts of the bonds so canceled shall be immediately furnished by the trustees to the party of the first part, its successors or assigns.

That upon the payment of the principal and interest of all the bonds hereby secured, the estate hereby granted to the parties of the second part shall be void, and the right to all the real and personal property hereby granted and conveyed shall revert to and revest in the party of the first part, its successors or assigns, in law and in equity, without any acknowledgment of satisfaction, reconveyance, surrender, re-entry, or other act.

That any of the parties of the second part, or of their successors, may resign his trust, and shall be discharged [from all liability as Trustee, thereafter accruing] upon delivering his resignation in writing, subscribed by his own hand, to his co-trustee and to the President or Secretary of the party of the first part, its successors or assigns, or the person acting for the time being as such.

That in case of the resignation, death, permanent removal from the United States, removal from office, or incapacity to act of one or both of the said Trustees, a successor, or successors, shall be at once appointed to fill such vacancy by the surviving or remaining Trustee, if any, with the consent of the Board of Directors of the party of the first part, or of its successors or assigns, or in case no Trustee survives or remains, by the said Board of Directors. That if such vacancy is

not filled within thirty days after it occurs, any competent court may appoint a Trustee to fill such vacancy, on the written application of the holders of the bonds hereby secured, to the aggregate amount of fifteen per centum of the bonds then outstanding; and the person, or persons, so appointed shall be the Trustee or Trustees under this instrument, and from thenceforward each person so appointed shall be vested with the same powers, rights, and interest, and charged with the same duties and responsibilities, as if he had been named among the parties of the second part to this instrument, in place of the Trustees to whom he succeeds, without any further assurance, conveyance, act, or deed; but the surviving or remaining Trustee, if any, shall immediately execute all such conveyances or other instruments as may be necessary or suitable for the purpose of assuring to the new Trustee so appointed a full joint estate in the premises.

That the parties of the second part, and their successors in the trust, may take such legal advice, and employ such assistance, as may be necessary in their judgment to the proper discharge of their duties, and shall be entitled to receive just and reasonable compensation for all duties performed by them, or any of them, in the discharge of this trust, and for all their reasonable expenses and disbursements, which compensation shall be paid by the party of the first part, its successors or assigns, and also be a lien upon and payable out of any funds coming into the hands of the parties of the second part, or their successors in the trust.

That no one of the parties of the second part, or their successors, shall be in any case held individually liable for any act or default of the others, or of any agent or person employed by him or them in any capacity, or for anything except his own fraud or willful misconduct; but each trustee shall only be required to exercise good faith upon his part in the selection and appointment of such agent or person.

That the word "trustees," wherever used in this instrument, shall be construed to mean the trustees or sole trustee for the time being, whether original or substituted, and, whenever a vacancy exists, to mean the surviving or remaining trustee, who shall, during such vacancy, possess all the rights and privileges, and be competent to exercise all the powers hereby granted to or conferred upon the parties of the second part.

In witness whereof, the said International and Great Northern Railroad Company, party of the first part, in pursuance of the authority conferred upon it by law, and of a resolution of its Board

of Directors, passed the 22d day of October, 1879, has caused this indenture to be subscribed in its name by its President and Assistant Secretary, and the corporate seal of said Company to be affixed thereto, and the parties of the second part, for the purpose of testifying to their acceptance of the trust hereby created, have also affixed their signatures and seals hereto, the day and year first above written.

THE INTERNATIONAL AND GREAT NORTHERN
RAILROAD COMPANY.

[L. S.] By THOS. W. PEARSALL,
President.

Attest:
JACOB S. WETMORE,
Assistant Secretary.

[L. S.] JOHN S. KENNEDY,
[L. S.] SAM SLOAN,
Trustees.

Signed, sealed and delivered in presence of
JOHN W. STERLING,
CHARLES NETTLETON.

STATE OF NEW YORK, }
City and County of New York, } ss.

Be it remembered, that on this first day of November, A. D. 1879, before me, Charles Nettleton, a Commissioner of the State of Texas in and for the State of New York, residing in said City of New York, personally appeared Thomas W. Pearsall, the President of the International and Great Northern Railroad Company, and Jacob S. Wetmore, the Assistant Secretary of the same Company, to me respectively personally known to be such, who, being by me severally duly sworn, did depose and say that he, said Thomas W. Pearsall, resided in the City and State of New York; that he, said Jacob S. Wetmore, resided in Englewood, New Jersey; that he, said Thomas W. Pearsall, was the President, and he, said Jacob S. Wetmore, was the Assistant Secretary of the said Company; that they know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said Thomas W. Pearsall and Jacob S. Wetmore, signed their names thereto, by the like order, as President and Assistant Secretary of said Company, re-

spectively, and they thereupon acknowledged to me, respectively, that they had signed, sealed and delivered the said instrument, bearing date on the first day of November, A. D. 1879, as for and to be, the free and voluntary act and deed of the International and Great Northern Railroad Company, for the considerations, uses, and purposes therein expressed.

In witness whereof, I have hereunto set my hand and affixed my official seal this first day of November, A. D. 1879.

CHARLES NETTLETON,
[L. S.] Commissioner for Texas in New York,
117 Broadway, New York City.

STATE OF NEW YORK, }
City and County of New York. } ss.

I, Charles Nettleton, a Commissioner in said State of New York, residing in said city of New York, appointed by the Governor of the State of Texas, do hereby certify that John S. Kennedy and Samuel Sloan, trustees, who are personally known to me to be the same persons described in, and who executed the foregoing instrument, this day came before me and acknowledged that they signed, sealed and delivered the said instrument, bearing date on the first day of November, A. D. 1879, as their voluntary act and deed, for the considerations, uses and purposes therein expressed, as such trustees therein described.

In witness whereof, I have hereunto set my hand and affixed my official seal this first day of November, A. D. 1879.

CHARLES NETTLETON,
[L. S.] Commissioner for Texas in New York,
117 Broadway, N. Y. City.

[The original of the foregoing instrument was filed for record in the office of the Clerk of County Court of Harris County, Texas, on the 10th day of November, 1879, and was recorded on the following day, in said office, in Records of Mortgages, Book Vol. 8, on pages 765 to 774, inclusive. The foregoing is an accurate copy of the instrument as there recorded.]

INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY.

SECOND MORTGAGE.

NOVEMBER 1, 1879.

THIS INDENTURE, made the first day of November, in the year of our Lord one thousand eight hundred and seventy-nine, between the INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY, a corporation existing under the laws of the State of Texas, of the first part, and SAMUEL THORNE, of the City of New York, WILLIAM WALTER PHELPS, of Englewood, New Jersey, and JOHN S. BARNES, of Elizabeth, New Jersey, trustees, of the second part:

WHEREAS, The said party of the first part has, simultaneously with the execution of this instrument, purchased from John S. Kennedy and Samuel Sloan, trustees, a railroad in the State of Texas, running from the town of Longview to the city of Austin, and also from the town of Palestine to the city of Houston, and thence to the Brazos river, with branches from the town of Troupe to the town of Mineola, and from the town of Phelps to the town of Huntsville, and all the railroad at any time heretofore known by and operated under the name of the International Railroad, or the Houston and Great Northern Railroad, or the International and Great Northern Railroad, with certain rolling stock and appurtenances, and the right to construct lines of railroad southerly to San Antonio and the Rio Grande, and northerly to the Red River, as well as other lines, and is about to issue in part payment for the said property four thousand four hundred and seventy-four second mortgage income bonds for the sum of one thousand dollars each, and five hundred second mortgage income bonds for the sum of five hundred dollars each, and also intends to issue for the purpose of further construction a series of similar bonds for the sum of one thousand dollars each, to the

amount hereinafter prescribed; all of which bonds, notwithstanding the same may be issued at different times, are equally secured by these presents, and are to be authenticated by a certificate signed by said trustees, and to be substantially in the following form:

THE INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY.

PURCHASE MONEY, SECOND MORTGAGE INCOME BOND.

No..... $.... .

Interest at eight per centum per annum.

Due September 1, 1909.

The International and Great Northern Railroad Company, of Texas, for value received, hereby acknowledges itself indebted to in the sum of dollars, lawful money of the United States of America, which the said Company promises to pay to or assigns, at its agency in the City of New York, on the first day of September, 1909, together with such interest thereon, not exceeding eight per centum per annum, as shall have been earned within each calendar year, beginning with the year 1879, payable semi-annually at said agency, on the first days of of March and September in the following year, to the person registered as holder hereof upon the books of said Company, when such interest is payable; such interest, however, to be payable only out of the net earnings of said Company, in any one calendar year, as defined in the mortgage hereinafter mentioned; and interest on this bond shall not accumulate from year to year, but only so much interest as shall be earned as aforesaid within each calendar year shall be paid.

This bond is one of a series of like tenor and date, of which 4,474 for $1,000 each, and 500 for $500 each, have been issued in part payment for the purchase of the road and equipment, and ten for $1000 each, but no more, may be issued for each mile of completed road hereafter constructed or acquired by the said Company; all of which are equally secured by a purchase money mortgage or deed of trust of even date herewith, executed by the said Company to Samuel Thorne, William Walter Phelps and John S. Barnes, as trus-

tees, covering the entire railroad of the said Company, together with all the rolling stock, equipment, appurtenances, income, franchises (including the franchise to be a corporation), privileges and immunities of the said Company, now owned or hereafter acquired, subject nevertheless to a prior mortgage or deed of trust of even date herewith, executed by the said Company to John S. Kennedy and Samuel Sloan, as trustees, covering the same property.

Upon default in the payment of interest earned on this bond for one year after it becomes payable, the trustees may declare the principal of all the bonds immediately payable, and must do so, if required by the registered holders of one-fourth of all such bonds.

This bond can only pass by transfer, [from time to time, on the books of the Company; such transfer] to be certified on the bond by the regular transfer agent of the Company.

This bond shall not become obligatory until the certificate indorsed hereon is signed by the said trustees or their successors in the trust.

In witness whereof the said International and Great Northern Railroad Company has caused this bond to be subscribed by its President or Vice-President and Assistant Secretary, and its corporate seal affixed hereto, this first day of November, in the year one thousand eight hundred and seventy-nine.

THE INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY,

By ——— ———, President.

——— ———, Assistant Secretary.

TRUSTEES' CERTIFICATE.

We hereby certify, that the International and Great Northern Railroad Company has executed to us a mortgage or deed of trust, as described in the within bond, and that no more of such bonds have been certified to by us than are authorized by said deed of trust.

——— ———,
——— ———,
——— ———,
Trustees.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That the said International and Great Northern Railroad Com-

pany, in order to secure the payment of the said bonds and interest thereon, and in consideration of the sum of one dollar to it paid by the parties of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, transferred and conveyed, and does hereby grant, bargain, sell, transfer and convey unto the said Samuel Thorne, William Walter Phelps and John S. Barnes, parties of the second part, as joint tenants, and not as tenants in common, and to the survivor or survivors of them, and to their successor or successors in this trust, their heirs and assigns, all and singular the lands, tenements and hereditaments of the said Railroad Company, now owned or hereafter to be acquired by it, including all its railroads, tracks, rights of way, main lines, branch lines, superstructures, depots, depot grounds, station houses, engine houses, car houses, freight houses, wood houses, sheds, watering places, work shops, machine shops, bridges, viaducts, culverts, fences, and fixtures, together with all its leases, leased or hired lands, leased or hired railroads, and all its locomotives, tenders, cars, carriages, coaches, trucks, and other rolling stock, its machinery, tools, weighing scales, turntables, rails, wood, coal, oil, fuel, equipment, furniture, and material of every name, nature, and description, now held, or hereafter to be acquired, together with all the corporate rights, privileges, immunities, and franchises of said Railroad Company, now held or hereafter to be acquired, including the franchise to be a corporation, and all the tolls, fares, freights, rents, income, issues and profits thereof, and all the reversion and reversions, remainder and remainders thereof, in trust, however, for the uses and purposes hereinafter mentioned, excepting, however, and reserving from the lien of this mortgage all land grants, lands, land certificates, town lots and town sites now or at any prior time owned or controlled by the said Company, which are not now actually occupied and in use by the said Company and necessary to the occupation and maintenance of its lines of railroad.

To have and to hold the said property, premises, things, rights, privileges, immunities, and franchises hereby conveyed, or intended so to be, unto the said Samuel Thorne, William Walter Phelps and John S. Barnes, parties of the second part, or their survivor or survivors, successor or successors, and his or their heirs or assigns, as joint tenants and not as tenants in common, in trust for the owners and holders of the said bonds, or any of them, subject to the terms and stipulations of said bonds, and to the lien of a prior mortgage, of even date herewith, but previously executed by said Company to John S. Kennedy and Samuel Sloan, trustees, and subject also to

the possession, control and management of the Directors of the party of the first part, its successors or assigns, so long as it or they shall well and truly perform all and singular the stipulations of the said bonds and the covenants of this Indenture.

That the term "net earnings," as used in the said bonds, is hereby defined as meaning the gross earnings of the Company after deducting its operating expenses, taxes, assessments, ordinary repairs and replacements, and such improvements and betterments, by way of repair and replacement, as shall be approved by the trustees, or a majority of them, as proper to be charged to current expenses, and also deducting interest upon its first mortgage bonds, of even date herewith. And the annual rental (to an amount approved by a majority of the said trustees), of a bridge to be hereafter erected across the Colorado river, at or near Austin, for the purpose of extending the said railroad to San Antonio, shall be deemed a part of the operating expenses aforesaid.

That the said trustees, and their successors in the trust, or any of them, shall, at all reasonable times, have free and full access, in person or by their attorney or accountants, to all books of account and accounts or vouchers of the party of the first part, its successors and assigns, for the purpose of ascertaing all facts which tend to prove that "net earnings," within the definition aforesaid, have been or will be realized by it or them, or to prove the contrary; and this right shall be specifically enforced, both at law and in equity.

That the new bonds which may be issued, from time to time, under this mortgage shall not exceed ten thousand dollars for each mile of completed railroad, which shall be newly constructed or acquired by the party of the first part, its successors or assigns, after the execution of this mortgage, and no bonds shall be issued for railroads to which the party of the first part, its successors or assigns, have not a good and valid title; and if there is any lien or incumbrance upon railroads hereafter acquired by the party of the first part, its successor or assigns, the issue of new bonds on account of such railroads shall be withheld to the amount by which such lien or incumbrance exceeds the sum of ten thousand dollars per mile, until the same is discharged; it being the intention of this instrument that the bonds hereby secured shall not be issued to an extent which will make the lien upon each mile, including the first mortgage and all prior liens, more than twenty thousand dollars.

That the said Trustees, or their successors in the trust, may, in their discretion, accept a certificate, signed by the President and Chief

Engineer of the party of the first part, its successors or assigns, as conclusive evidence of the number of miles of completed railroad so newly constructed or acquired, but not as evidence concerning the title thereto, or the liens or incumbrances thereon.

That in case the party of the first part, its successors or assigns, shall fail to pay the interest on any of the said bonds, at any time when the same, having been earned, may become due and payable, according to the tenor thereof, and shall continue in such default for one year after such payment has been demanded at its or their agency in the City of New York, then, and thereupon, the principal of all the bonds hereby secured shall be and become immediately due and payable, provided the said trustees give written notice to the said party of the first part, its successors or assigns, of their option to that effect while such default continues, which notice they shall be bound to give, if required in writing to do so, by the registered holders of twenty-five per centum of said bonds then outstanding; and that in such case, or upon the principal of said bonds becoming in any other way due and payable, and remaining unpaid, in whole or in part, after demand thereof, the said trustees, or their successors in the trust, may, in their discretion, and shall, upon the request of the registered holders of fifty per centum of said bonds then outstanding, take, with or without entry or foreclosure, actual possession of said railroad, and of all and singular the property, things and effects hereby conveyed, and personally, or by attorney, manage and operate the same, and receive all the tolls, rents, income and profits thereof, until such time as the said bonds and interest thereon are fully paid and satisfied, and shall apply the money so received by them: first, to the expenses of the trust hereby created, and the management of the said railroad and its appurtenances, and the needful repairs thereof; next, to the payment of whatever may be justly due and payable under prior liens; next, to the payment of the interest overdue upon the said income bonds and interest upon delayed interest, and afterwards to the payment of the principal of the said bonds. And the said trustees, or their successors in the trust, upon becoming entitled to take possession of the railroad and property aforesaid, may in their discretion, and shall, on the written request of the holders of at least one-half of the bonds then unpaid and outstanding, cause the said premises so mortgaged to be sold, either as an entirety or in such parcels as they shall deem necessary or proper, having due regard to the interests of all parties, to the highest bidder at public auction, in the city of Austin, giving at least sixty days' notice of the time,

place and terms of such sale, and of the specific property to be sold, and whether the same will be sold as an entirety or in parcels, by publishing such notice in two newspapers in said city of Austin, and in one or more newspapers in the City of New York, once in each week during the said term of sixty days, and that upon receiving the purchase money therefor the said trustees, or their successors in the trust, shall execute to the purchaser or purchasers thereof a good and sufficient deed of conveyance in fee simple, subject, however, to a lien of the prior mortgage, as aforesaid, which sale and conveyance shall forever be a bar against the party of the first part, its successors and assigns, and all persons claiming under them, of all right, estate, interest or claim in or to the premises, property, things, franchises, privileges and immunities so sold, or any part thereof, whether the said trustees are in possession thereof or not; and the receipt of said trustees shall be a full and sufficient discharge to such purchasers; and no purchaser holding such receipt shall be liable for the proper application of the purchase money, or in any way bound to see that the same is applied to the uses of this trust, or in any manner answerable for its loss or misapplication, or bound to inquire into the authority for making such sale. And such sale, to a purchaser in good faith, shall be valid, whether said notice is given or not, and whether default in payment has been made or not.

That the said trustees shall, after deducting from the proceeds of such sale the costs and expenses thereof, and of the execution of this trust, and all payments for taxes, assessments and counsel fees, and their own reasonable compensation, apply so much of the proceeds as may be necessary to the payment of the principal and interest remaining unpaid upon the said bonds, together with interest upon over-due interest, down to the time of sale, without giving preference to either principal or interest; it being the intention of this indenture that so long as the railroad and its appurtenances shall be managed by the trustees, or a receiver, as a going concern, the income shall be applied to the payment of interest in preference to the principal, but that after a sale of the railroad and its appurtenances, no such preference shall be made in the distribution of the proceeds.

That upon any sale of the said premises, whether by the trustees, or under decree of the Court, the holders of the bonds hereby secured, or any of them, or the said trustees on behalf of all the the bondholders, shall have a right to purchase upon equal terms with other persons, and the bonds secured by this mortgage shall be receivable at such sale as cash for the amount of cash which would

be payable on such bonds out of the proceeds of such sale.

That it is hereby expressly agreed that in no case shall any claim, benefit or advantage be taken by the party of the first part, its successors or assigns, of any valuation, appraisement, extension or relief laws, to prevent such entry or sale as aforesaid, and that nothing herein contained shall be construed as limiting the right of the said trustees to apply to the Courts for judgment or decree of foreclosure and sale under this indenture, or for the usual relief in the course of such proceedings; and the said trustees may, in their discretion, apply to any competent court for relief by way of foreclosure or otherwise, if so advised by counsel, instead of taking possession of or selling the said property when required to do so by bondholders.

That in case the premises hereby conveyed, or any portion thereof, are sold under or by virtue of the lien of the prior mortgage aforesaid, or of any other lien having priority over this indenture, the principal of all the bonds secured hereby shall be and become immediately due and payable, simultaneously with such sale.

That the party of the first part, its successors and assigns, hereby covenant and agree with the parties of the second part and their successors in this trust, that the proceeds of the bonds to be issued as hereinbefore mentioned, in addition to the specified number given for the purchase of the original property, shall be applied in good faith to the construction or purchase of additional railroad, and to the furnishing of additional equipment therefor.

That the party of the first part, its successors and assigns, further covenant and agree with the parties of the second part, and their successors in the trust, to make, execute and deliver all such further deeds, instruments and assurances as may from time to time be necessary, and as the parties of the second part, or their successors in the trust, may be advised by counsel learned in the law to be necessary, for the better securing to the parties of the second part, and their successors in the trust, the premises hereby conveyed, and for carrying out the objects and purposes of this indenture.

That the parties of the second part, and their successors in the trust, may, upon the written request of the party of the first part, its successors or assigns, convey or release any lands which it or they may cease to use for its corporate purposes by reason of any change of location of any station house, buildings, or cattle yards, connected with its railroad, or by reason of any change of the track of

said railroad, provided that, at the same time, such instruments shall be executed as will cause the lien of this mortgage to attach to all lands, tenements and hereditaments taken and used by the party of the first part, its successors or assigns, in place of the lands disused as aforesaid; and that in case of the sale of any such lands, without exchanging them for other lands, the proceeds of such sale, if any, remaining after complying with a provision similar to this in the prior mortgage aforesaid, shall be paid to the parties of the second part, or their successors in the trust, and be by them applied to the purchase of bonds secured by this mortgage, which bonds, when so purchased, shall be canceled, and a certificate of the respective numbers and amounts of the bonds so canceled shall be immediately furnished by the trustees to the party of the first part, its successors or assigns.

That upon the payment of the principal and interest of all the bonds hereby secured, the estate hereby granted to the parties of the second part shall be void, and the right to all the real and personal property hereby granted and conveyed shall revert to and revest in the party of the first part, its successors or assigns, in law and in equity, without any acknowledgment of satisfaction, reconveyance, surrender, re-entry, or other act.

That any of the parties of the second part, or of their successors, may resign his trust, and shall be discharged from all liability as Trustee, thereafter accruing, upon delivering his resignation in writing, subscribed by his own hand, to his co-trustees and to the President or Secretary of the party of the first part, its successors or assigns, or the person acting for the time being as such.

That in case of the resignation, death, permanent removal from the United States, removal from office, or incapacity to act of one or more of the said Trustees, a successor, or successors, shall be at once appointed to fill such vacancy by the surviving or remaining Trustees, if any, with the consent of the Board of Directors of the party of the first part, or of its successors or assigns, or in case no Trustee survives or remains, by the said Board of Directors. That if such vacancy is not filled within thirty days after it occurs, any competent court may appoint a Trustee to fill such vacancy, on the written application of the holders of the bonds hereby secured, to the aggregate amount of fifteen per centum of the bonds then outstanding; and the person, or persons, so appointed shall be the Trustee or Trustees under this instrument, and from thenceforward each person so appointed shall be

vested with the same powers, rights, and interest, and charged with the same duties and responsibilities, as if he had been named among the parties of the second part to this instrument, in place of the Trustee to whom he succeeds, without any further assurance, conveyance, act, or deed; but the surviving or remaining Trustees, if any, shall immediately execute all [such] conveyances or other instruments as may be necessary or suitable for the purpose of assuring to the new Trustee so appointed a full joint estate in the premises.

That the parties of the second part, and their successors in the trust, may take such legal advice, and employ such assistance, as may be necessary in their judgment to the proper discharge of their duties, and shall be entitled to receive just and reasonable compensation for all duties performed by them, or any of them, in the discharge of this trust, and for all their reasonable expenses and disbursements, which compensation shall be paid by the party of the first part, its successors or assigns, and also be a lien upon and payable out of any funds coming into the hands of the parties of the second part, or their successors in the trust.

That no one of the parties of the second part, or their successors, shall be in any case held individually liable for any act or default of the others, or of any agent or person employed by him or them in any capacity, or for anything except his own fraud or willful misconduct; but each trustee shall only be required to exercise good faith upon his part in the selection and appointment of such agent or person.

That the word "trustees," wherever used in this instrument, shall be construed to mean the trustees or sole trustee for the time being, whether original or substituted, and, whenever a vacancy exists, to mean the surviving or remaining trustee, who shall, during such vacancy, possess all the rights and privileges, and be competent to exercise all the powers hereby granted to or conferred upon the parties of the second part.

In witness whereof, the said International and Great Northern Railroad Company, party of the first part, in pursuance of the authority conferred upon it by law, and of a resolution of its Board of Directors, passed the 22d day of October, 1879, has caused this indenture to be subscribed in its name by its President and Assistant Secretary, and the corporate seal of said Company to be affixed thereto, and the parties of the second part, for the purpose of testi-

fying to their acceptance of the trust hereby created, have all affixed their signatures and seals thereto, the day and year first above written.

THE INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY.

[L. S.] By THOS. W. PEARSALL,
President.

Attest:
JACOB S. WETMORE,
Assistant Secretary.

SAMUEL THORNE,
WM. WALTER PHELPS,
JOHN S. BARNES,
Trustees.

Signed, sealed and delivered in presence of
JOHN W. STERLING,
CHARLES NETTLETON.

STATE OF NEW YORK,
City and County of New York, } ss.

Be it remembered, that on this first day of November, A. D. 1879, before me, Charles Nettleton, a Commissioner of the State of Texas in and for the State of New York, residing in said City of New York, personally appeared Thomas W. Pearsall, the President of the International and Great Northern Railroad Company, and Jacob S. Wetmore, the Assistant Secretary of the same Company, to me respectively personally known to be such, who, being by me severally duly sworn, did depose and say that he, said Thomas W. Pearsall, resided in the City and State of New York; that he, said Jacob S. Wetmore, resided in Englewood, New Jersey; that he, said Thomas W. Pearsall, was the President, and he, said Jacob S. Wetmore, was the Assistant Secretary of the said Company; that they know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said Thomas W. Pearsall and Jacob S. Wetmore, signed their names thereto, by the like order, as President and Assistant Secretary of said Company, respectively, and they thereupon acknowledged to me, respectively, that they had signed, sealed and delivered the said instrument, bearing date on the first day of November, A. D. 1879, as for and to be,

the free and voluntary act and deed of the International and Great Northern Railroad Company, for the considerations, uses, and purposes therein expressed.

In witness whereof, I have hereunto set my hand and affixed my official seal this first day of November, A. D. 1879.

CHARLES NETTLETON,
[L. S.] Commissioner for Texas in New York,
117 Broadway, New York City.

STATE OF NEW YORK, }
City and County of New York. } SS.

I, Charles Nettleton, a Commissioner in said State of New York, residing in said city of New York, appointed by the Governor of the State of Texas, do hereby certify that Samuel Thorne, William Walter Phelps and John S. Barnes, trustees, who are personally known to me to be the same persons described in, and who executed the foregoing instrument, this day came before me and acknowledged that they signed, sealed and delivered the said instrument, bearing date on the first day of November, A. D. 1879, as their voluntary act and deed, for the considerations, uses and purposes therein expressed, as such trustees therein described.

In witness whereof, I have hereunto set my hand and affixed my official seal this first day of November, A. D. 1879.

CHARLES NETTLETON,
[L. S.] Commissioner for Texas in New York,
117 Broadway, N. Y. City.

[The original of the foregoing instrument was filed for record in the office of the Clerk of the County Court of Harris County, Texas, on the 10th day of November, 1879, and was recorded on the following day, in said office, in Records of Mortgages, Book Vol. 8, on pages 775 to 783, inclusive. The foregoing is an accurate copy of the mortgage as there recorded.]

INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY.

SIX PER CENT. GOLD MORTGAGE.

JUNE 15, 1881.

THIS INDENTURE, made the fifteenth day of June, in the year of our Lord one thousand eight hundred and eighty-one, between the INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY, a corporation existing under the laws of the State of Texas, of the first part, and the FARMERS' LOAN AND TRUST COMPANY, of the City of New York, a corporation existing under the laws of the State of New York, of the second part:

WHEREAS, The party of the first part heretofore, on the first day of November, in the year 1879, executed a certain Indenture of mortgage to Samuel Thorne, William Walter Phelps and John S. Barnes, Trustees, to secure four thousand four hundred and seventy-four income bonds for the sum of one thousand dollars each, and five hundred income bonds for the sum of five hundred dollars each, and also a series of similar bonds for the sum of one thousand dollars each, to the amount therein prescribed, all of them bearing interest to such amount, not exceeding eight per centum per annum, as should be earned within each calendar year, beginning with the year 1879, as therein set forth;

AND WHEREAS, Many holders of the said bonds desire to exchange them for bonds of this Company, bearing interest at the rate of six per centum per annum, absolutely and free from all contingency, to be secured in the manner hereinafter prescribed;

AND WHEREAS, The party of the first part had, on May 1, 1881, issued five thousand, two hundred and eighty-four income bonds, as hereinbefore described, for the sum of one thousand dollars each,

and five hundred such income bonds for the sum of five hundred dollars each, and intends to issue in exchange for said bonds a like amount of bonds in the form hereinafter prescribed and secured by this mortgage, and also a series of similar bonds, for the sum of one thousand dollars each, to the amount hereinafter prescribed; all of which bonds, notwithstanding the same may be issued at different times, are equally secured by these presents, are to be authenticated by a certificate signed by the party of the second part, and are to be substantially in the following form:

THE INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY.

No..... $1,000.

Interest at six per centum per annum.

Due September 1, 1909.

The International and Great Northern Railroad Company, of Texas, for value received, hereby acknowledges itself indebted to the Farmers' Loan and Trust Company of the City of New York, Trustee, in the sum of one thousand dollars, United States gold coin, which sum the said Company promises to pay, at its agency in the City of New York, to the bearer, unless this bond is registered, and if registered, then to the registered holder thereof, in gold coin of the United States, of the present standard of weight and fineness, on the first day of September, in the year 1909, together with interest thereon at the rate of six per centum per annum from the first day of March, 1881, payable semi-annually, in like gold coin, on the first days of March and September in each year, upon presentation of the annexed coupons, as they severally become due, at the said agency of the Company in the City of New York.

This bond is one of a series of like tenor and date, of which 5,284 for $1,000 each, and 500 for $500 each, are intended to be issued in exchange for a like amount of income bonds issued before the first day of May, 1881, and secured by a second mortgage, and ten for $1,000 each, but no more, may be issued for each mile of completed road thereafter constructed or acquired by the said Company; all bonds of this series being equally secured by a mortgage or deed of trust, of even date herewith, executed by the said Company to the

Farmers' Loan and Trust Company of the City of New York, as Trustee, covering the entire railroad of the said Company, together with all the rolling stock, equipment, appurtenances, income, franchises (including the franchise to be a corporation), privileges, and immunities of the said Company, now owned or hereafter acquired, and also by the deposit with the said Trustee of income bonds under the existing second mortgage upon the same property, executed to Samuel Thorne, William Walter Phelps and John S. Barnes, as Trustees, to an amount equal to the bonds of this series issued, or to be issued, until the said existing second mortgage is fully satisfied and discharged of record, which income bonds are to be held by the said Trustees for the protection of bonds of this series.

Upon default in the payment of interest on this bond for six months after it becomes payable and has been demanded, the Trustee may, subject to the provisions of the said mortgage, declare the principal of all the bonds immediately payable, and must do so, if required by the holders of one-fourth of all such bonds outstanding.

This bond may be registered on the books of the Company, at its agency in the City of New York, after which no transfer except on the books of the Company will be valid; but it is not to be deemed registered until the name of the holder is registered upon the back of the bond as well as upon the books of the Company. It may be registered in favor of "bearer," after which it will be transferable by delivery alone, until again registered in the name of the holder.

This bond shall not become obligatory until the certificate indorsed hereon is signed by the said trustee or its successor in the trust.

In witness whereof the said International and Great Northern Railroad Company has caused this bond to be subscribed by its President or Vice-President and Assistant Treasurer, and its corporate seal affixed hereto, this fifteenth day of June, in the year one thousand eight hundred and eighty-one.

THE INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY,

By ——— ———, President.

——— ———, Assistant Treasurer.

COUPON.

The International and Great Northern Railroad Company will pay to the bearer, at its agency in the City of New York, dollars, in gold coin, on , being six months' interest due that day on bond No.

TRUSTEES' CERTIFICATE.

It is hereby certified, that the International and Great Northern Railroad Company has executed to the Farmers' Loan and Trust Company of the City of New York, a mortgage or deed of trust, as described in the within bond, and that no more of such bonds have been certified to by the undersigned than are authorized by said deed of trust.

THE FARMERS' LOAN AND TRUST COMPANY,
Trustee.
By ——— ———, President.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That the said International and Great Northern Railroad Company, in order to secure the payment of the said bonds and interest thereon, and in consideration of the sum of one dollar to it paid by the party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, transferred and conveyed, and does hereby grant, bargain, sell, transfer and convey unto the said Farmers' Loan and Trust Company of the City of New York, party of the second part, and to its successor or successors in this trust, forever, all and singular the lands, tenements and hereditaments of the said Railroad Company, now owned or hereafter to be acquired by it, including all its railroads, tracks, rights of way, main lines, branch lines, superstructures, depots, depot grounds, station houses, engine houses, car houses, freight houses, wood houses, sheds, watering places, work shops, machine shops, bridges, viaducts, culverts, fences, and fixtures, together with all its leases, leased or hired lands, leased or hired railroads, and all its locomotives, tenders, cars, carriages, coaches, trucks, and other rolling stock, its machinery, tools, weighing scales, turntables, rails, wood, coal, oil, fuel, equipment, furniture, and material of every name, nature, and description, now held, or hereafter to be acquired, together with all the corporate rights, privileges, immunities, and franchises of said Railroad Company, now held or hereafter to be acquired, (including the franchise to be a corpora-

tion), and all the tolls, fares, freights, rents, income, issues and profits thereof, and all the reversion and reversions, remainder and remainders thereof, in trust, however, for the uses and purposes hereinafter mentioned, excepting, however, and reserving from the lien of this mortgage all land grants, lands, land certificates, town lots and town sites now or at any prior time owned or controlled by the said Company, which were not, on the first day of November, 1879, and have never since been actually occupied and in use by the said Company and necessary to the occupation and maintenance of its lines of railroad.

To have and to hold the said property, premises, things, rights, privileges, immunities, and franchises hereby conveyed, or intended so to be, unto the Farmers' Loan and Trust Company of the City of New York, party of the second part, or its successor or successors, in trust, for the owners and holders of the said bonds, or any of them, subject to the terms and stipulations of said bonds and of the coupons thereto attached, and subject also to the possession, control and management of the Directors of the party of the first part, its successors or assigns, so long as it or they shall well and truly perform all and singular the stipulations of the said bonds and the covenants of this indenture.

That the bonds which may issued under this mortgage shall not exceed the number and amount of bonds then issued under the existing second mortgage, executed by said Company on the first day of November, 1879, to Samuel Thorne, William Walter Phelps and John S. Barnes, Trustees, and surrendered to the party of the second part in exchange for bonds issued under this mortgage, until the said second mortgage is satisfied and discharged of record, and shall not exceed five thousand two hundred and eighty-four bonds for the sum of $1,000 each, and five hundred bonds for the sum of $500 each, with the addition of ten bonds, for $1,000 each, for each mile of completed railroad, which has been constructed or acquired by the party of the first part since the first day of May, 1880, or which shall be newly constructed or acquired by the party of the first part, its successors or assigns, after the execution of this mortgage; and no bond shall be issued for railroads to which the party of the first part, its successors or assigns, have not a good and valid title; and if there is any lien or incumbrance upon railroads hereafter acquired by the party of the first part, its successors or assigns, other than the two mortgages already executed by the said Company and now out-

standing, dated the first day of November, 1879, the issue of new bonds on account of such railroads shall be withheld, to the amount of such lien or incumbrance, until the same is discharged.

That the said Trustee, or its successor in the trust, may, in its discretion, accept a certificate, signed by the President and Chief Engineer of the party of the first part, its successors or assigns, as conclusive evidence of the number of miles of completed railroad so newly constructed or acquired.

That in case the party of the first part, its successors or assigns, shall fail to pay the interest on any of the said bonds, at any time when the same may become due and payable, according to the tenor thereof, and shall continue in such default for six months after such payment has been demanded at its or their agency in the City of New York, then, and thereupon, the principal of all bonds hereby secured shall be and become immediately due and payable, provided the said Trustee gives written notice to the party of the first part, its successors or assigns, of its option to that effect while such default continues, which notice it shall be bound to give, if required in writing to do so by the holders of twenty-five per centum of said bonds then outstanding; and that in such case, or upon the principal of said bonds becoming in any other way due and payable, and remaining unpaid, in whole or in part, after demand thereof, the said Trustee, or its successor in the trust, may, in its discretion, and shall, upon the request of the holders of fifty per centum of said bonds then outstanding, take, with or without entry or foreclosure, actual possession of said railroad, and of all and singular the property, things and effects hereby conveyed, and personally, or by attorney, manage and operate the same, and receive all the tolls, rents, income and profits thereof, until such time as the said bonds and interest thereon are fully paid or satisfied, and shall apply the money so received by it: first, to the expenses of the trust hereby created, the management of the said railroad and its appurtenances, and the needful repairs thereof; next, to the payment of interest overdue upon the said bonds and interest upon delayed interest, and afterwards to the payment of the principal of the said bonds. And the said Trustee, or its successor in the trust, upon becoming entitled to take possession of the railroad and property aforesaid, may, in its discretion, and shall, on the written request of the holders of at least one-half of the bonds then unpaid and outstanding, cause the said premises so mortgaged to be sold, either as an entirety or in such

parcels as it shall deem necessary or proper, having due regard to the interests of all parties, to the highest bidder at public auction, in the city of Austin, giving at least sixty days' notice of the time, place and terms of such sale, and of the specific property to be sold, and whether the same will be sold as an entirety or in parcels, by publishing such notice in two newspapers in said city of Austin, and in one or more newspapers in the City of New York, once in each week during the said term of sixty days; and that, upon receiving the purchase money therefor, the said Trustee, or its successor in the trust, shall execute to the purchaser or purchasers thereof a good and sufficient deed of conveyance in fee simple, which sale and conveyance shall forever be a bar against the party of the first part, its successors and assigns, and all persons claiming under them, of all right, estate, interest or claim in or to the premises, property, things, franchises, privileges and immunities so sold, or any part thereof, whether the said Trustee is in possession thereof or not; and the receipt of the said Trustee shall be a full and sufficient discharge to such purchasers; and no purchaser holding such receipt shall be liable for the proper application of the purchase money, or in any way bound to see that the same is applied to the uses of this trust, or in any way [manner] answerable for its loss or misapplication, or bound to inquire into the authority for making such sale. And such sale, to a purchaser in good faith, shall be valid, whether said notice is given or not, and whether default in payment has been made or not.

That the said trustees shall, after deducting from the proceeds of such sale the costs and expenses thereof, and of the execution of this trust, and all payments for taxes, assessments and counsel fees, and its own reasonable compensation, apply so much of the proceeds as may be necessary to the payment of the principal and interest remaining unpaid upon the said bonds and coupons, together with interest upon overdue coupons, down to the time of sale, without giving preference to either principal or interest; it being the intention of this indenture that so long as the railroad and its appurtenances shall be managed by the trustees, or a receiver, as a going concern, the income shall be applied to the payment of interest in preference to the principal, but that after a sale of the railroad and its appurtenances, no such preference shall be made in the distribution of the proceeds.

That upon any sale of the said premises, whether by the Trustee or under decree of the Court, the holders of the bonds hereby secured, or any of them, or the said Trustee on behalf of all the bondholders,

shall have a right to purchase upon equal terms with other persons; and it shall be the duty of the said Trustee, if so required in writing, a reasonable time before such sale, by the holders of a majority in value of the outstanding bonds secured hereby, and upon being offered, at the same time, adequate indemnity against all liability to be incurred thereby, to make such purchase on behalf of all the bondholders, at a reasonable price, if part only of the property hereby conveyed is sold, or, in case the whole property is sold at a price not exceeding the whole amount of principal and interest due or accruing upon the said bonds, together with the expenses of the proceedings and sale; and the bonds secured by this mortgage shall be receivable at such sale as cash, for the amount of cash which would be payable on such bonds out of the proceeds of such sale.

That in case of the purchase of the said property, or any part thereof, by the Trustee, the same shall be held for the benefit of all bondholders, in proportion to their respective interests in the bonds, and the property thus purchased shall be conveyed to such persons or corporation as may be designated by a majority in value of the bondholders present at a meeting of the bondholders in the City of New York, regularly called by the Trustee, upon reasonable public notice, published in two newspapers of that city, provided that such conveyance shall be made upon such terms as will, in the judgment of the said Trustee, secure to each and every bondholder his just proportion of interest in the property purchased as aforesaid.

That it is hereby expressly agreed that in no case shall any claim, benefit or advantage be taken by the party of the first part, its successors or assigns, of any valuation, appraisement, extension or relief laws, to prevent such entry or sale as aforesaid, and that nothing herein contained shall be construed as limiting the right of the said Trustee to apply to the Courts for judgment or decree of foreclosure and sale under this indenture, or for the usual relief in the course of such proceedings; and the said Trustee may, in its discretion, apply to any competent Court for relief by way of foreclosure or otherwise, if so advised by counsel, instead of taking possession of or selling the said property when required to do so by bondholders.

That the party of the first part, its successors and assigns, hereby covenant and agree with the party of the second part and its successor in the trust, that the proceeds of the bonds to be issued as hereinbefore mentioned, in addition to the specified number issued in exchange for income bonds then outstanding, shall be applied in

good faith to the construction or purchase of additional railroad, and to the furnishing of additional equipment therefor.

That the party of the first part, its successors and assigns, further covenant and agree with the party of the second part and its successor in the trust, to make, execute and deliver all such further deeds, instruments and assurances as may from time to time be necessary, and as the party of the second part, or its successor in the trust, may be advised by counsel learned in the law to be necessary, for the better securing to the party of the second part, and its successor in the trust, the premises hereby conveyed, and for carrying out the objects and purposes of this indenture.

That the party of the second part, and its successor in the trust, may, upon the written request of the party of the first part, its successors or assigns, convey or release any lands which it or they may cease to use for its corporate purposes, by reason of any change of location of any station house, buildings, or cattle yards, connected with its railroad, or by reason of any change of the track of said railroad; provided that, at the same time, such instruments shall be executed as will cause the lien of this mortgage to attach to all lands, tenements and hereditaments taken and used by the party of the first part, its successors or assigns, in place of the lands disused as aforesaid; and that in case of the sale of any such lands, without exchanging them for other lands, the proceeds of such sale shall be paid to the party of the second part, or its successor in the trust, and be by it applied to the purchase of bonds secured by this mortgage, which bonds, when so purchased, shall be canceled, and a certificate of the respective numbers and amounts of the bonds so canceled shall be immediately furnished by the Trustee to the party of the first part, its successors or assigns.

That upon the payment of the principal and interest of all the bonds hereby secured, the estate hereby granted to the party of the second part shall be void, and the right to all the real and personal property hereby granted and conveyed, shall revert to and revest in the party of the first part, its successors or assigns, in law and in equity, without any acknowledgement of satisfaction, reconveyance, surrender, re-entry or other act.

That the party of the second part and its successor in the trust shall and will hold all income bonds, issued under the said existing second mortgage, which may be deposited with it in exchange for bonds issued under this mortgage, in trust, for the benefit of the lawful holders of the bonds issued under this mortgage, and will, if

necessary, or if justice requires, enforce against the said Company the income bonds so held by it and the mortgage securing the same, and secure for such bonds the full benefit of the said second mortgage on the same footing with other similar bonds not deposited with the party of the second part or its successor in the trust, except that the party of the second part and its successor in the trust shall and will accept the payment of interest upon the bonds issued under this mortgage, according to the stipulations thereof, as full satisfaction and discharge of all claims against the party of the first part, its successors and assigns, for interest upon the income bonds deposited as aforesaid, and except also that the payment of the principal of any of the bonds issued under this mortgage shall be accepted as a full satisfaction of an equivalent amount of said income bonds deposited as aforesaid, and upon such payment being made by the party of the first part, its successors or assigns, and evidenced to the party of the second part or its successor in the trust, by the deposit of any bonds issued under this mortgage, paid and canceled, the party of the second part, or its successor in the trust, will cancel an equivalent amount of income bonds deposited as aforesaid, and except also that, in the event of proceedings for a foreclosure or other enforcement of the said existing second mortgage, the party of the second part or its successor in the trust will not collect or authorize the collection from the party of the first part, its successors or assigns, of any greater amount of interest on account of the income bonds deposited with it as aforesaid, than at the rate of six per centum per annum; it being the intention of the parties hereto that the said income bonds shall be held in trust, and used only for the purpose of giving to the holders of bonds issued under this mortgage an equality of lien with the holders of other outstanding income bonds, but with a rate of interest fixed at six per centum per annum.

That in the event of all the income bonds, issued under the said existing second mortgage being deposited with the party of the second part or its successors in the trust, it will fortwith use its best diligence to procure from the Trustees of the said second mortgage a satisfaction and discharge upon the record of the said second mortgage, delivering to them, if necessary for that purpose, the said income bonds duly canceled, and taking every step that may be necessary or proper for the purpose of procuring the complete discharge of the lien of the said second mortgage, to the end that this mortgage may become a lien upon all the property hereinbefore mentioned,

second only to the first purchase-money mortgage executed to John S. Kennedy and Samuel Sloan, Trustees, and dated the first day of November, 1879, but for this purpose, the said income bonds shall not be surrendered for cancellation, until the party of the second part is reasonably satisfied that all intervening liens have been discharged or secured to be discharged.

That the party of the second part, or its successor in the trust, may take such legal advice and employ such assistance as may be necessary in its judgment to the proper discharge of its duties, and shall be entitled to receive just and reasonable compensation for all duties performed by it in the discharge of this trust, and for all its reasonable expenses and disbursements, which compensation shall be paid by the party of the first part, its successors or assigns, and shall also be a lien upon and payable out of the funds coming into the hands of the party of the second part or its successor in the trust.

In witness whereof, the said International and Great Northern Railroad Company, party of the first part, in pursuance of the authority conferred upon it by law, and of a resolution adopted by a vote of two-thirds of all the stock of the said Company, at a meeting of its stockholders, regularly called for that purpose, and held on the thirteenth day of June, 1881, and also of a resolution of its Board of Directors, has caused this Indenture to be subscribed in its name by its Vice President and Assistant Secretary, and the corporate seal of the said Company to be affixed thereto; and the party of the second part, for the purpose of testifying to its acceptance of the trust hereby created, has also, in pursuance of a resolution of its Board of Directors, caused this Indenture to be subcribed in its name by its President and Secretary, and its corporate seal to be affixed hereto, the day and year first above written.

THE INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY.

[L. S.] By THOS. W. PEARSALL,
Vice President.

Attest:
JACOB S. WETMORE,
Assistant Secretary.

THE FARMERS' LOAN AND TRUST CO.,

[L. S.] By R. G. ROLSTON, President.

Attest:
GEO. P. FITCH,
Secretary.

State of New York, }
City and County of New York, } ss.

Be it remembered, that on this 22d day of June, A. D. 1881, before me, John A. Garver, a Notary Public in and for the City, County and State of New York, duly commissioned, qualified, and acting, personally appeared Thomas W. Pearsall, the Vice President of the International and Great Northern Railroad Company, and Jacob S. Wetmore, the Assistant Secretary of the same Company, to me respectively personally known to be such, who, being by me severally duly sworn, did depose and say that he, said Thomas W. Pearsall, resided in the City and State of New York; that he, said Jacob S. Wetmore, resided [in] Englewood, New Jersey; that he, said Thomas W. Pearsall, was the Vice President, and he, said Jacob S. Wetmore, was the Assistant Secretary of the said Company; that they knew the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said Thomas W. Pearsall and Jacob S. Wetmore, signed their names thereto, by the like order, as Vice President and Assistant Secretary of said Company, respectively, and they thereupon acknowledged to me, respectively, that they had signed, sealed and delivered the said instrument, bearing date on the fifteenth day of June, A. D. 1881, as for, and to be, the free and voluntary act and deed of the International and Great Northern Railroad Company, for the considerations, uses, and purposes therein expressed.

In witness whereof, I have hereunto set my hand and affixed my official seal this twenty-second day of June, A. D. 1881.

John A. Garver,
[L. S.] Notary Public, New York County.

State of New York, }
City and County of New York, } ss.

Be it remembered, that on this 22d day of June, A. D. 1881, before me, John A. Garver, a Notary Public in and for the City, County and State or New York, duly commissioned, qualified and acting, personally appeared R. G. Rolston, the President of the Farmers' Loan and Trust Company, and George P. Fitch, the Secretary of the same Company, to me respectively personally known to be such, who, being by me severally duly sworn, did depose and say that he, said R. G. Rolston, and he, said George P. Fitch, resided in

the City and State of New York; that he, said R. G. Rolston, was the President, and he, said George P. Fitch, was the Secretary of the said Company; that they knew the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said R. G. Rolston and George P. Fitch, signed their names thereto, by the like order, as President and Secretary of said Company, respectively; and they thereupon acknowledged to me, respectively, that they had signed, sealed, and accepted the said instrument, bearing date on the 15th day of June, A. D. 1881, as for, and to be, the free and voluntary act and deed of the Farmers' Loan and Trust Company, for the considerations, uses and purposes therein expressed.

In witness whereof, I have hereunto set my hand and affixed my official seal this twenty-second day of June, A. D. 1881.

JOHN A. GARVER,
[L. S.] Notary Public, New York County.

[The original of the foregoing instrument was filed for record in the office of the Clerk of the County Court of Harris County, Texas, on the 5th day of July, 1881, and was recorded on the following day, in said office, in Records of Mortgages, Book Vol. IX., on pages 754 to 765, inclusive. The foregoing is an accurate copy of the mortgage as there recorded.]

COLORADO BRIDGE COMPANY.

MORTGAGE.

MAY 24, 1880.

THIS INDENTURE, made the twenty-fourth day of May, in the year of our Lord one thousand eight hundred and eighty, between the COLORADO BRIDGE COMPANY, a corporation existing under the laws of the State of Texas, of the first part, and the FARMERS' LOAN AND TRUST COMPANY of the City of New York, Trustee, of the second part:

WHEREAS, The said party of the first part is organized under the laws of the State of Texas for the purpose of constructing a railroad bridge across the Colorado river, in the said State, at or near the city of Austin, and is about to issue, for the purpose of raising money necessary for the construction of such bridge, two hundred first mortgage bonds, for the sum of one thousand dollars each, and hereby reserves the right to issue twenty-five more of the same denomination; all of which bonds, notwithstanding the same may be issued at different times, are equally secured by these presents, and are to be authenticated by a certificate signed by the said Trustee, and to be substantially in the following form:

THE COLORADO BRIDGE COMPANY.

FIRST MORTGAGE GOLD BOND.

No..... $.... .

Interest at seven per centum per annum, payable in gold semi-annually.

Due May 1, 1920.

The Colorado Bridge Company, of Texas, for value received,

hereby acknowledges itself indebted to the Farmers' Loan and Trust Company of the City of New York, Trustee, or bearer, in the sum of one thousand dollars, United States gold coin, which sum the said Company promises to pay, at its agency in the City of New York, to the bearer, unless this bond is registered, and if registered, then to the registered holder hereof, in gold coin of the United States, of the present standard of weight and fineness, on the first day of May, in the year 1920, together with interest thereon at the rate of seven per centum per annum from the first day of May, 1880, payable semi-annually, in like gold coin, on the first days of May and November in each year, upon presentation of the annexed coupons, as they severally become due, at the said agency of the Company in the City of New York.

This bond is one of a series of like tenor and date, of which two hundred have been issued in part payment for the construction of the Company's bridge, and twenty-five other bonds of like denomination, but no more, may be issued for the completion thereof; all of which are equally secured by a mortgage or deed of trust dated May 24, 1880, executed by the said Company to the Farmers' Loan and Trust Company of the City of New York, as Trustee, covering the entire bridge of the said Company, together with all the appurtenances, franchises (including the franchise to be a corporation), privileges and immunities of the Company, now owned or hereafter acquired.

Upon default in the payment of interest on this bond for six months after it becomes payable, the Trustee may declare the principal of all the bonds immediately payable, and must do so if required by the holders of one-fourth of all such bonds.

This bond may be registered on the books of the Company, at its agency in the City of New York, after which no transfer, except upon the books of the Company, will be valid; but it is not to be deemed registered until the name of the holder is registered upon the back of the bond, as well as upon the books of the Company. It may be registered in favor of "bearer," after which it will be transferable by delivery alone, until again registered in the name of the holder.

This bond shall not become obligatory until the certificate indorsed hereon is signed by the said Trustee or its successors in the trust.

In witness whereof, the said Colorado Bridge Company has caused this bond to be subscribed by its President and Secretary, and its

corporate seal affixed hereto, this first day of July, in the year one thousand eight hundred and eighty.

THE COLORADO BRIDGE COMPANY,

By ——— ———, President.

——— ———, Secretary.

COUPON.

The Colorado Bridge Company will pay to the bearer at its agency in the City of New York, thirty-five dollars, in gold coin, on , being six months' interest due that day on its first mortgage bond No. ———.

TRUSTEES' CERTIFICATE.

This is to certify, that the Colorado Bridge Company has executed to the Farmers' Loan and Trust Company a mortgage or deed of trust, as described in the within bond, and that no more of such bonds have been certified to by the Trustee than are authorized by said deed of trust, and that the same has been duly recorded.

———,
Trustee.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That the said Colorado Bridge Company, in order to secure the payment of the said bonds and interest thereon, and in consideration of the sum of dollar to it paid by the party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, transferred and conveyed, and does hereby grant, bargain, sell, transfer and convey, unto the said party of the second part, and to its successor or successors in this trust, and his or their heirs and assigns, in trust, as hereinafter mentioned, all and singular the bridge of the said party of the first part, as the same may now or hereafter be constructed across the Colorado river, in the State of Texas, at or near the city of Austin, including the approaches to such bridge upon either side of said river, together with all real estate, lands, tenements and appurtenances thereto, now belonging to or hereafter to be acquired by the party of the first part, and also all and singular the rights, privileges, immunities and franchises of the party of the

first part, now held or hereafter to be acquired (including the franchise to be a corporation), and all the tolls, fares, freights, rents, income, issues and profits thereof, and all the reversion and reversions, remainder and remainders thereof, in trust, however, for the uses and purposes hereinafter mentioned.

To have and to hold the said property, premises, things, rights, privileges, immunities and franchises hereby conveyed, or intended so to be, unto the said party of the second part, and to its successor or successors, and his or their heirs and assigns, in trust, for the owners and holders of the said bonds, or any of them, subject to the terms and stipulations of the said bonds and of the coupons thereto attached, and subject also to the possession, control and management of the Directors of the party of the first part, its successors and assigns, so long as it or they shall well and truly perform all and singular the stipulations of the said bonds and the covenants of this Indenture.

That in case the party of the first part, its successors or assigns, shall fail to pay the interest on any of the said bonds, at any time when the same may become due and payable, according to the tenor thereof, and shall continue in such default for six months after such payment has been demanded, at its or their agency in the City of New York, then, and thereupon, the principal of all the bonds hereby secured shall be and become immediately due and payable, provided the Trustee under this mortgage gives written notice to the party of the first part, its successors or assigns, of its option to that effect, while such default continues, which notice it shall be bound to give if required in writing to do so by the holders of twenty-five per centum of said bonds then outstanding; and that in such case, or upon the principal of said bonds becoming in any other way due and payable, and remaining unpaid, in whole or in part, after demand thereof, the said Trustee may, in its discretion, and shall, upon the request of the holders of fifty per centum of said bonds then outstanding, take, with or without entry or foreclosure, actual possession of said bridge, and of all and singular the property, things and effects hereby conveyed, and personally, or by attorney, manage and operate the same, and receive all the tolls, rents, income and profits thereof, until such time as the said bonds and interest thereon are fully paid or satisfied. and shall apply the money so received by it, first, to the expenses of the trust hereby created, and the management of the said bridge and its appurtenances and the needful re-

pairs thereof; next, to the payment of interest overdue upon the said bonds and interest upon delayed interest, and afterwards to the payment of the principal of said bonds. And the said Trustee, upon becoming entitled to take possession of the bridge and property aforesaid, may, in its discretion, and shall, on the written request of the holders of at least one-half of the bonds then upaid and outstanding, cause the said premises so mortgaged to be sold, either as an entirety or in such parcels as it shall deem necessary or proper, having due regard to the interests of all parties, to the highest bidder at public auction, in the city of Austin, giving at least sixty days' notice of the time, place and terms of such sale, and of the specific property to be sold, and whether the same will be sold as an entirety or in parcels, by publishing such notice in one or more newspapers in said city of Austin, and also in the City of York, once in each week during the said term of sixty days, and that upon receiving the purchase money therefor, the said Trustee shall execute to the purchaser or purchasers thereof a good and sufficient deed of conveyance in fee simple, which sale and conveyance shall forever be a bar against the party of the first part, its successors and assigns, and all persons claiming under them, of all right, estate, interest or claim in or to the premises, property, things, franchises, privileges and immunities so sold, or any part thereof, whether the said Trustee is in possession thereof or not; and the receipt of said Trustee shall be a full and sufficient discharge to such purchasers; and no purchaser holding such receipt shall be liable for the proper application of the purchase money, or in any way bound to see that the same is applied to the uses of this trust, or in any manner answerable for its loss or misapplication, or bound to inquire into the authority for making such sale. And such sale, to a purchaser in good faith, shall be valid, whether said notice is given or not, and whether default in payment has been made or not.

That the Trustee under this mortgage shall, after deducting from the proceeds of such sale the costs and expenses thereof, and of the execution of this trust, and all payments for taxes, assessments and counsel fees, and its own reasonable compensation, apply so much of the proceeds as may be necessary to the payment of the principal and interest remaining unpaid upon the said bonds and coupons, together with interest upon overdue interest down to the time of sale, without giving preference to either principal or interest; it being the intention of this Indenture that, so long as the bridge and its appurtenances shall be managed by the Trustee, or a receiver, as a go-

ing concern, the income shall be applied to the payment of interest in preference to the principal, but that after a sale of the bridge and its appurtenances no such preference shall be made in the distribution of the proceeds.

That upon any sale of the said premises, whether by the Trustee, or under decree of the Court, the holders of the bonds hereby secured, or any of them, or the said Trustee on behalf of all the bondholders, shall have a right to purchase upon equal terms with other persons, and the bonds secured by this mortgage shall be receivable at such sale as cash, for the amount of cash which would be payable on such bonds out of the proceeds of such sale.

That in case the bonds hereinbefore mentioned and hereby secured are guaranteed or indorsed by any railroad company, at the request or with the consent in writing of the party of the first part, such gnarantor or indorser shall have the same right to require the Trustee to take possession of the bridge, property, things and effects hereby conveyed, as is hereinbefore given to the holders of said bonds.

That it is hereby expressly agreed that in no case shall any claim, benefit or advantage be taken by the party of the first part, its successors or assigns, of any valuation, appraisement, extension or relief laws, to prevent such entry or sale as aforesaid, and that nothing herein contained shall be construed as limiting the right of the said Trustee to apply to the Courts for judgment or decree of foreclosure and sale under this indenture, or for the usual relief in the course of such proceedings; and the said Trustee may, in its discretion, apply to any competent Court for relief by way of foreclosure or otherwise, if so advised by counsel, instead of taking possession of or selling the said property when required to do so by bondholders.

That the party of the first part, its successors and assigns, hereby covenant and agree with the party of the second part and its successors in the trust, that the proceeds of the bonds to be issued as hereinbefore mentioned, shall be applied in good faith to the construction or purchase of the said bridge and the lands and appurtenances necessary therefor.

That the party of the first part shall and will pay to the Trustee under this mortgage annually, on the first day of May in each and every year, the sum of two thousand dollars toward a sinking fund to be created and held by the said Trustee for the purpose of extinguishing all the bonds issued under this mortgage; and the said Trus-

tee shall purchase in the open market, with the money thus paid as a sinking fund, any bonds issued under this mortgage which can be purchased at or less than 110 per centum, and may purchase any such bonds at the market price, in all cases purchasing the same at the lowest price at which the same can be obtained; and in case none of the bonds issued under this mortgage can be obtained at or below the said price of 110 per centum, and it is not deemed expedient by the said Trustee to purchase them at a higher price, then the said Trustee shall invest the moneys paid into the said sinking fund in such first class securities as shall produce an interest of not less than four per centum, payable semi-annually; and shall, from time to time, invest the principal and interest of such sinking fund, and the proceeds of the securities in which the same may be invested, in other bonds issued under this mortgage, canceling and extinguishing the same as fast as such bonds are so purchased, and shall report to the Directors of the party of the first part, from time to time, the numbers and amounts of bonds under this mortgage so purchased by it for extinguishment, in order that a record thereof may be kept by the party of the first part. And the sinking fund thus created shall be strictly and exclusively applied to the payment, satisfaction, and extinguishment of the bonds under this mortgage, either before or at their maturity. And every bond purchased by said Trustee for the said sinking fund shall be deemed to be paid and extinguished by the fact of such purchase.

That the party of the first part shall and will pay to the Trustee under this mortgage annually, on the first day of November in each and every year, the sum of one thousand dollars toward a guaranty fund to be created and held by the said Trustee, for the purpose of rebuilding and repairing the said bridge; and the said Trustee shall invest the moneys thus paid in like manner as is hereinbefore provided with respect to the sinking fund, except that no bonds issued under this mortgage and purchased for account of such guaranty fund, shall be canceled and extinguished, but the same shall be held by the said Trustee, and the interest thereon collected for the benefit of such guaranty fund, and such interest reinvested, from time to time, in other bonds issued under this mortgage, in like manner as is done with the original payments into such fund. And in case of any injury to the said bridge, which shall seriously diminish its value as a security to the holders of bonds under this mortgage, and such injury is not repaired within a reasonable time by the party of the first part, its successors and assigns, after due notice given to it or them

by the said Trustee, such Trustee may cause such injuries to be repaired, and may for this purpose apply any part of the said guaranty fund in his hands to payment for such repairs, and may also for such purpose reissue any of the bonds issued under this mortgage and held by the Trustee for account of such guaranty fund; but when, and so often as such guaranty fund amounts to more than thirty thousand dollars (reckoning all bonds issued under this mortgage at their par value, and other securities held therefor at their actual market value), the excess over such amount shall be applied within the next six months to the said sinking fund, unless during such period of six months the said bridge shall have suffered some serious injury which shall make it reasonably probable that a larger amount than the said sum of thirty thousand dollars will be required for its repair, in which case the said surplus in the said guaranty fund shall be held for account of that fund until such injuries have been repaired, and may be applied, if necessary, for that purpose.

That the party of the first part shall and will keep the said bridge and its approaches in good condition and repair, and, in case of the dilapidation or destruction of any part thereof from any causes whatever, it shall rebuild or restore the same, or shall construct another bridge equally good and serviceable, across the same river at another point, connecting with the main line of the International and Great Northern Railroad, and secure the bonds issued under this mortgage as a first lien upon such new bridge. And in case of the failure of the party of the first part to repair, rebuild or restore, in the manner herein prescribed, within a reasonable time after written notice so to do has been served by the Trustee under this mortgage upon any director or chief executive officer of the party of the first part (such reasonable time to be not less than one nor more than six months), the said Trustee may, at its option, declare the whole principal sum secured by the said bonds to be presently due and payable, and may proceed as in case of a default of payment upon the maturity of such bonds.

That the party of the first part, its successors and assigns, further covenant and agree with the party of the second part and its successors in the trust, to make, execute and deliver all such further deeds, instruments and assurances as may from time to time be necessary, and as the party of the second part, or its successors in the trust, may be advised by counsel learned in the law to be necessary, for the better securing to the party of the second part, and its successors

in the trust, the premises hereby conveyed, and for carrying out the objects and purposes of this Indenture.

That the party of the second part, and its successors in the trust, may, upon the written request of the party of the first part, its successors or assigns, convey or release any lands which it or they may cease to use for its corporate purposes, by reason of any change of location of its said bridge, or any of the appurtenances thereof, provided that, at the same time, such instruments shall be executed as will cause the lien of this mortgage to attach to all lands, tenements and hereditaments taken and used by the party of the first part, its successors or assigns, in place of the lands disused as aforesaid; and that in case of the sale of any such lands, without exchanging them for other lands, the proceeds of such sale shall be paid to the Trustee under this mortgage, and be by it applied to the purchase of bonds secured by this mortgage, which bonds, when so purchased, shall be canceled, and a certificate of the respective numbers and amounts of the bonds so canceled shall be immediately furnished by the Trustee to the party of the first part, its successors or assigns.

That upon the payment of the principal and interest of all the bonds hereby secured, the estate hereby granted to the party of the second part shall be void, and the right to all the real and personal property hereby granted and conveyed, shall revert to and revest in the party of the first part, its successors or assigns, in law and in equity, without any acknowledgement of satisfaction, reconveyance, surrender, re-entry or other act.

That the party of the second part, or any of its successors, may resign this trust, and shall be discharged from all liability as Trustee, thereafter accruing, upon delivering such resignation in writing, duly subscribed and acknowledged, to the President or Secretary of the party of the first part, its successors or assigns, or the person acting for the time being as such.

That the word "trustee," wherever used in this instrument, shall be construed to mean the trustees or sole trustee under this mortgage, for the time being, whether original or substituted, and, whenever a vacancy exists, to mean the surviving or remaining trustee, who shall, during such vacancy, possess all the rights and privileges, and be competent to exercise all the powers hereby granted to or conferred upon the parties of the second part.

In witness whereof, the parties hereto, in pursuance of resolutions

of their Boards of Directors, have caused this Indenture to be subscribed in their names by their Presidents and Secretaries, respectively, and the corporate seals of said companies to be affixed thereto the day and year first above written.

COLORADO BRIDGE COMPANY,

[L. S.] By GEORGE J. FORREST,
President.

Attest:
PHILIP H. FRASER,
Secretary.

THE FARMERS' LOAN AND TRUST COMPANY,

[L. S.] By R. G. ROLSTON,
President.

Attest:
W. D. SEARLS,
Assistant Secretary.

STATE OF NEW YORK, }
City and County of New York, } ss.

Be it remembered, that on this 16th day of June, A. D. 1880, before me, John A. Garver, a Notary Public in and for the City, County and State of New York, duly commissioned, qualified, and acting, personally appeared George J. Forrest, the President of the Colorado Bridge Company, and Philip H. Fraser, the Secretary of the same Company, to me respectively personally known to be such, who, being by me severally duly sworn, did depose and say that he, said George J. Forrest, resided in the City and State of New York; that he, said Philip H. Frazer, resided in Elizabeth, New Jersey; that he, said George J. Forrest, was the President, and he, said Philip H. Fraser, was the Secretary of the said Company; that they know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said George J. Forrest and Philip H. Fraser, signed their names thereto, by the like order, as President and Secretary of said Company, respectively, and they thereupon acknowledged to me, re-

spectively, that they had signed, sealed and delivered the said instrument, bearing date on the 24th day of May, A. D. 1880, as for, and to be, the free and voluntary act and deed of the Colorado Bridge Company, for the considerations, uses, and purposes therein expressed.

In witness whereof, I have hereunto set my hand and affixed my official seal this 16th day of June, A. D. 1880.

JOHN A. GARVER,
Notary Public, N. Y. Co.

[L. S.]

STATE OF NEW YORK, }
City and County of New York, } ss.

Be it remembered, that on this eighteenth day of June, A. D. 1880, before me, Ludwig R. Miller, a Notary Public in and for the City, County and State or New York, duly commissioned, qualified and acting, personally appeared R. G. Rolston, the President of the Farmers' Loan and Trust Company, and W. D. Searls, the Assistant Secretary of the same Company, to me respectively personally known to be such, who, being by me severally duly sworn, did depose and say that he, said R. G. Rolston, and he, said W. D. Searls, resided in the City and State of New York; that he, said R. G. Rolston, was the President, and he, said W. D. Searls, was the Assistant Secretary of the said Company; that they know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said R. G. Rolston and W. D. Searls, signed their names thereto, by the like order, as President and Assistant Secretary of said Company, respectively; and they thereupon acknowledged to me, respectively, that they had signed, sealed, and accepted the said instrument, bearing date on the twenty-fourth day of May, A. D. 1880, as for, and to be, the free and voluntary act and deed of the Farmers' Loan and Trust Company, for the considerations, uses and purposes therein expressed.

In witness whereof, I have hereunto set my hand and affixed my official seal this eighteenth day of June, A. D. 1880.

LUDWIG R. MILLER,
Notary Public,
Appointed from Kings County, New York.

[L. S.]

[The original of the foregoing instrument was filed for record in the office of the County Clerk of Travis County, Texas, on the second day of July, 1880, and was recorded in said office on the following day, in Book 47, Records of Deeds, on pages 296 to 306, inclusive. The foregoing is an accurate copy of the instrument as there recorded.]

THE GALVESTON, HOUSTON AND HENDERSON

RAILROAD COMPANY.

CHARTER.

The Galveston, Houston and Henderson Railroad Company was incorporated by an act of the Legislature of the State of Texas, approved February 7, 1853, and was vested with the right of constructing, owning and maintaining a railway, commencing at the city of Galveston, crossing Galveston Bay, so as not to obstruct or unreasonably impede the navigation of the same, and thence running by such course and to such point at the city of Houston as said Company shall deem most suitable; thence, by the most suitable and direct line, to Henderson, in Rusk county; and with the further privilege of making, owning and maintaining such branches of such railway as they might deem most expedient. In the charter it was provided that if the railway was not commenced within twelve months from the first day of May, 1853, and at least forty miles were not in running order within three years after its commencement, the charter should be null and void. It was also provided that the act of incorporation should expire in ninety years unless it should be renewed or extended. It was further provided that the Company should be subject to the provisions of any general laws not inconsistent with

the terms of its charter, which might be enacted by the State, regulating railroad companies.

On January 10, 1854, the Legislature of Texas passed an act supplementary to the original charter, granting to said Company eight sections of land of 640 acres each, for each and every mile of railway completed and ready for use. In this act the Company was further authorized and empowered to extend said railway from the town of Henderson, in Rusk county, by such course and in such direction as the Company might deem proper, in order to connect with the Pacific or any other railway east of the Trinity river.

On 23d January, 1856, the Legislature of Texas passed another act to amend said act passed January 10, 1854. By this last act the Company was authorized and empowered to extend its railway from the town of Henderson, in Rusk county, so as to connect with any railway at or near Fulton, on the eastern boundary of the State of Texas, and provided that the Company should have six months after the 30th January, 1856, to complete the first twenty-five miles of their road, contemplated by their charter, in order to entitle them to the rights, benefits and privileges granted by the general law granting donations to railroad companies; and further providing, that by accepting the benefits of this act, the Company should have no branching privileges except such as are expressly granted by the provisions of its charter, to certain points, and should be required to expend only so much of its capital stock upon any branch, as should be expressly subscribed to such branch, and should not expend upon its trunk any money subscribed to any branch, and should be required to complete its main trunk to the point contemplated in its charter, before completing any branch road. It further provided that

the general law to regulate railroad companies, approved February 7, 1853, should apply to this Company.

On July 24, 1856, the Legislature passed another act supplementary and amendatory to the act of 23d January, 1856, by which it was provided that if the Galveston, Houston and Henderson Railroad Company should complete twenty-five miles of its road and have the same in running order on or before the first day of May, 1857, it should be entitled to receive from the State sixteen sections of land per mile therefor, under the provisions of the law of January 30, 1854; and in this act it was further provided that the Company should be allowed until the first day of November, 1857, to complete forty miles of its road, in order to save its charter from forfeiture. In this act it was further provided that the privileges granted were upon the following terms and conditions: that the Company abandon all claims or right to land from the State under its charter or any other law of this State, except the said act of January 30, 1854, and other provisions relating to the establishment of its principal offices and residence of its directors.

Bonded Debts.

On first December, 1853, the Company made an issue of bonds (its first issue) consisting of fifteen hundred bonds each for one thousand pounds sterling, payable in London at the expiration of ten years, with interest at the rate of six per cent. per annum. To secure these bonds the Company executed a deed of trust or mortgage to trustees, upon its railroad constructed and to be constructed from Galveston to Houston, and its privileges, rights and real estate owned or that should thereafter be owned by the Company in connection with its said railroad.

On the first of June, 1855, a second issue of bonds was made by the Company, to the amount of $750,000, payable in ten years, with interest at ten per cent. per annum, convertible, after three years, into stock of the Company, and secured by a second mortgage of similar import to the first, except that it conveyed, in addition to what was conveyed by the first mortgage, all the lands which shall or may belong to said Company by virtue of any act of the Legislature of the State of Texas in connection with said road from Galveston to Houston. This mortgage contained a declaration that it was "to take the place of" the former one, which was for an equivalent sum in sterling money.

On 8th October, 1857, a third issue of bonds was made to the amount of $2,625,000, in one hundred dollar bonds, payable in 1879, with interest at eight per cent. per annum; and these bonds were secured by a third mortgage to the same trustees as the last, and on the same property as the second mortgage, except that it purports to cover the railroad from Galveston for a distance of seventy-five miles. This mortgage declared that it was executed in part to take the place of the preceding one, particulars being stated.

The trustees named in the first mortgage were William Kent, of New York, and certain London bankers; these last, however, refused to accept the trust. The trustees under the two later mortgages were Kent, of New York, (already named), and C. B. Haddock, of the same State.

On the 21st May, 1859, the Company executed to P. C. Tucker, as trustee for Robert Pulsford, a fourth deed of trust, to secure the payment of ninety-six hundred pounds sterling previously lent to the Company by Pulsford on a number of bonds of the third issue, together

with other securities delivered to him, and ten thousand pounds advanced at the time of the execution of the deed. This deed covered the same property which was covered by the other trust deeds.

Other Debts.

The road from Galveston to Houston was completed in the year 1859.

There were a large number of judgments rendered in the District Courts of the State for Harris and Galveston counties, against the Company, amounting in all to nearly $120,000; and under executions issued on these judgments, on 6th March, 1860, the road-bed, track, franchises, chartered rights and privileges of the Company, and the rolling stock thereof, were sold by the sheriff of Galveston county to Benjamin F. Terry, and the property was bid off for $28,000. Terry and his associates, immediately after the purchase, organized themselves into a new company, and asserted themselves, by virtue of the sheriff's sales and the laws of Texas, to be invested with the charter rights and privileges, and organized themselves as such. This new organization took possession of the railroad and all its works and property, and began to operate it.

The Galveston and Houston Junction Railroad Company.

Terry and his associates procured a charter from the Legislature of Texas on 8th April, 1861, by which they were incorporated as the Galveston and Houston Junction Railroad Company, and were authorized to construct and operate a railroad to connect the Galveston, Houston and Henderson Railroad with the Houston and Texas Central Railway. This road was constructed under this charter, and was less than two miles in length.

On 12th February, 1867, N. A. Cowdrey and others, citizens of New York, filed in the Circuit Court of the United States for the Eastern District of Texas, a bill against the Galveston, Houston and Henderson Railroad Company, another company of the same name (the successor company of the one just mentioned), the Galveston and Houston Junction Railroad Company, and individuals who were claiming to be directors and stockholders in said Company, asking judgment for the foreclosure and sale of the railroad of the Galveston, Houston and Henderson Railroad Company, and all its property, to pay, in due order, the several outstanding bonds issued under its first and second mortgages. The bill was filed on behalf, not only of the complainants, (who allege that they were large holders of the said bonds), but of all other holders who might come in and contribute to the costs and expenses of the suit. It was alleged in the bill that Kent and Haddock, the trustees. were dead.

At the May term, 1870, the Circuit Court made a decree, amounting, in effect, to a foreclosure of the first three mortgages, for a sum then found to be due, in the aggregate five millions two hundred and sixty-three thousand and thirty-nine dollars, fixing their priorities and subjecting to their lien the whole of the road from Galveston to Houston, with the original rolling stock and equipments. The decree refused any remedy by account, or an enforcement of the lien against any property acquired and used in connection with the railroad since May 6, 1860, the date when the road-bed, franchises, etc., were sold by the sheriff. The cross bill of Pulsford, for a superior equity, was dismissed. This decree was affirmed by the Supreme Court of the United States, at the December term, 1870. By virtue of the

order of sale issued by the said Circuit Court, the road-bed, track, franchises, chartered rights, and rolling stock of the Company were sold under said decree and purchased by F. P. James, of New York.

Organization of the Galveston, Houston and Henderson Railroad Company of 1871.

On the 15th December, 1871, F. P. James associated with himself six others under articles of association as purchasers and owners of the property purchased by him at said foreclosure sale, and organized a new company under the original charter and supplementary acts, and the general laws of the State of Texas, under the name of the Galveston, Houston and Henderson Railroad Company of 1871. F. P. James, on that date, conveyed to said Railroad Company of 1871 the premises bought by him at said foreclosure sale, known as the Galveston, Houston and Henderson Railroad, with its franchises and all its equipments and supplies. This Company was duly organized under said charter and articles of association, and adopted by-laws, and elected officers.

Mortgage Debt of Company of 1871.

On 16th December, 1871, the Galveston, Houston and Henderson Railroad Company of 1871 executed a series of fifteen hundred bonds for one thousand dollars each, due July 1, A. D. 1902, and secured by a mortgage or deed of trust to N. A. Cowdrey and John J. Donaldson, trustees, on the entire corporate property of the said Railway Company, used for railway purposes, and all its franchises and privileges, "constructed or to be hereafter constructed, now held and acquired or to be hereafter constructed and acquired, situated in the State of Texas,

and extending from its terminal point in the city of Galveston, thence by a bridge across Galveston Bay to the main land at Virginia Point, thence through the county of Galveston and the county of Harris to and into the city of Houston, to a point connecting with the Houston and Texas Central Railway, embracing the bridges across Galveston Bay and Buffalo Bayou."

On December 18, 1871, the Company of 1871 purchased the premises known as the Galveston and Houston Junction Railroad, and all its property, rights and franchises, as authorized by resolution of the Board of Directors of that date.

Foreclosure of the Mortgage of 1871.

On 23rd December, 1879, N. A. Cowdrey and John J. Donaldson, as joint trustees, filed their bill of complaint against the Galveston, Houston and Henderson Railroad Company of 1871 and the several members of the then Board of Directors, praying judgment for its debt and asking sale of said mortgaged premises for the purpose of paying the same, and also praying that pending the litigation the Court would direct that said mortgaged premises be placed in the hands of said complainants to be operated and controlled by them.

On 1st September, 1880, the President and Directors surrendered and turned over the property of the Company included in the mortgage, to N. A. Cowdrey and John J. Donaldson, trustees of the mortgage, and they took possession of the same and managed and operated the railroad.

On 26th April, 1881, John J. Donaldson resigned his position as trustee, and Joseph Rudd, Jr., was appointed his successor. Afterwards, on 5th August, 1881, N. A. Cowdrey and Joseph Rudd having each of them succes-

sively resigned, Jay Gould and Russell Sage were appointed their successors as trustees in said mortgage, and said suit was afterwards conducted in their name.

On 6th December, 1881, Russell Sage and Jay Gould filed a supplemental and amended bill of complaint, setting up default in the payment of four other installments of interest since the filing of the original bill, and the fact that under the terms of the agreement upon which they took possession of said mortgaged premises they had advanced large sums of money and were obligated to pay further sums, for the purposes specified in said agreement, and prayed for foreclosure as in the original bill, dismissing as to the defendants, the individual Directors.

On March 23rd, 1882, a decree was entered, reciting that the total mortgage debt due on the first day of January, 1882, was one million eight hundred and sixty-nine thousand nine hundred and forty-one dollars and sixteen cents ($1,869,941.16), and that the payment of said indebtedness was secured by said mortgage or trust deed; that the trustees had advanced a sum, amounting, on the first day of January, 1882, to $196,791.66, as a loan, which loan might be increased before the day of sale by other sums necessary to be advanced, and that said trustees were entitled to ten per cent. per annum interest for said advances, and that said advances were a first lien on said mortgaged premises and prior to said bonds and interest thereon; and ordering that in the event said bonds with interest, and said advances were not paid, that the property should be sold under the direction of C. Dart, who was appointed special master for that purpose.

The Company failing to pay said indebtedness in the time mentioned in said decree, order of sale was issued,

directed to C. Dart, Special Master, ordering him to sell said property on the first day of August, 1882. Sale of said property was made on said first day of August, 1882, by said Special Master, and the same was purchased by Russell Sage and Jay Gould. Report of sale was made by the Master to the Court on November 8, 1882, and the Court, by decree, entered its order confirming said sale, and directed the Master to make title to said Russell Sage and Jay Gould for the property sold by him under the decree of foreclosure, which was accordingly done.

The Galveston, Houston and Henderson Railroad Company of 1882.

On December 1st, 1882, Russell Sage and Jay Gould associated with themselves five others, and organized a new company under the original charter of the Company of February 7, 1853, and the general laws of the State, which was known as the Galveston, Houston and Henderson Railroad Company of 1882. Sage, Gould and their associates duly organized, adopted by-laws and elected officers.

This is the Company which now has the title to the properties of what is known as the Galveston, Houston and Henderson Railroad Company.

On the first day of April, 1883, the Galveston, Houston and Henderson Railroad Company of 1882, executed and delivered to the Mercantile Trust Company, Trustee, a mortgage conveying its corporate property and franchises, and the income thereof, for the purpose of securing a series of bonds of one thousand dollars each, aggregating two millions of dollars; said bonds payable on the first day of April, 1913, bearing interest at the rate of five per cent. per annum; payable semi-annually.

At a meeting of the stockholders of the Galveston, Houston and Henderson Railroad Company of 1882, the President and Secretary of the Company were authorized to execute a lease and contract to and with the International and Great Northern Railroad Company, leasing the corporate property and franchises of the Company for a period of ninety-nine years. The resolution was as follows:

WHEREAS, It is deemed expedient to lease the corporate franchises and property of this Company, as hereinafter set forth, to the International and Great Northern Railroad Company, for the period of ninety-nine years, upon the said International and Great Northern Company guaranteeing to the holders thereof, at maturity, the prompt payment of the principal and interest of two thousand of the five per cent. thirty year first mortgage bonds, about being issued by this Company, of one thousand dollars each, aggregating two millions of dollars of principal, under the terms and conditions hereinafter set forth; be it therefore,

Resolved, First. That the Directors of this Company be, and they are hereby authorized to lease unto the International and Great Northern Railroad Company, for the period of ninety-nine years, from the sixth day of March, 1883, the entire corporate property of the said Railway Company, the party of the first part, used for railway purposes, together with all the franchises and privileges, the railroad now constructed and to be hereafter constructed, now held and acquired and to be hereafter acquired, situated in the State of Texas, and now extending from its terminal point near the intersection of Thirty-first street and Market street, in the city of Galveston, through said city to Galveston Bay, at or near Eagle Grove; thence by viaduct or bridge across said bay to the main land at or near Virginia Point; thence northerly through the county of Galveston to the county of Harris, and to and into the city of Houston, through McKinney street, or any other street in the city of Houston, to a point which, if the road is extended that general direction, will connect and intersect with the Houston and Texas Central Railroad, and with the Houston and Great Northern Railroad. Also from a point near Rusk street, in the city of Houston, thence in a northerly direction, crossing Buffalo bayou at or near Railroad street or avenue, to

a point of connection with the main line of the Houston and Texas Central Railroad. Also through any other locality or street in the cities both of Galveston and Houston, through or over which the railroad of this Company does now run or may hereafter be located, embracing and including the bridge extending across Galveston Bay from said Eagle Grove to Virginia Point, and all franchises and rights appertaining thereto or connected therewith, and also the bridge across Buffalo bayou, and all other bridges upon the line of the Railroad herein embraced, and all renewals, rebuildings and replacements of said bridges, or either or any of them, whether located upon the present sites thereof or anywhere near the same, provided the same are used for railroad purposes by this Railroad Company, or any successor or assigns thereof, then the said bridge or said replaced or renewed bridges are hereby declared to be embraced in this lease; also, all the branch roads and sidings, depots, stations, buildings, machine and other shops; also, all the right of way and land occupied by said Railroad and appurtenances thereto belonging, and all the lands acquired and appertaining, or which may hereafter be acquired and appropriated for station houses, depots, engine houses, car houses, warehouses, machine shops, workshops, superstructures, or erections and fixtures, together with all the appurtenances, rights and privileges thereunto belonging at any and all points on said road; and also, all and singular the locomotives, tenders, passenger cars, freight cars, and all other cars, carriages, tools, machinery, wood, coal and fuel, and all other equipments for said railroad, now owned or which may be hereafter owned by said Company; and also all goods, and chattels or supplies now owned or which may be hereafter owned by said Company, and in any way relating or appertaining, or belonging to, or connected with said railroad, or the running or operating of same; and also, all rents, issues, incomes, tools, profits, currency, moneys, rights, benefits and advantages derived or to be derived, had or received therefrom by said Company in any way whatsoever; excepting, however, from the demised premises all lands owned or held by the party of the first part, as well as other property not needed in connection with or necessary to the maintenance, use and operation of the said demised railroad.

In consideration that the said International Railroad shall and will guarantee to the holders thereof, at maturity, the prompt payment of the principal and interest of two thousand of the five per cent. thirty year first mortgage bonds, about being issued by this

Company, of one thousand dollars each, aggregating two millions of dollars principal, upon the terms and conditions as contained in the draft of lease hereinafter set forth.

Second. That the President and Secretary of the Company are authorized to duly execute a lease and contract to and with the International and Great Northern Railroad Company, to be in the form and words following:

[Here follows copy of lease hereinafter contained.]

The International and Great Northern Railroad, under the terms of this lease, has operated the Galveston, Houston and Henderson Railway since the 6th of March, 1883.

AN ACT

TO INCORPORATE THE GALVESTON, HOUSTON AND HENDERSON RAILROAD COMPANY.

SECTION 1. *Be it enacted by the Legislature of the State of Texas,* That William C. Lacy, T. P. Anderson, R. A. Harris and William M. Tuck, and their associates and successors, be and they are hereby created and established a body corporate and politic, under the name of the Galveston, Houston and Henderson Railroad Company, with capacity in said corporate name to make contracts, to have succession and a common seal, to make by-laws for the government and regulation of the said Company, to sue and be sued, to plead and be impleaded, to grant and receive, and generally to do and perform all such acts as may be necessary and proper for, or incident to the fulfilment of its obligations, for the maintenance of its rights under this act, and in accordance with the Constitution of the State.

SEC. 2. That said Company be, and is hereby invested with the rights of locating, contracting, owning and maintaining a railway, commencing at the city of Galveston, crossing Galveston Bay so as not to obstruct or unreasonably impede the navigation of the same, and thence running by such course and such point at the city of Houston as said Company shall deem most suitable: thence by the most suitable and direct line to Henderson, in Rusk county, and with the further privilege of making, owning and maintaining such branches of said railway as they may deem most expedient.

SEC. 3. That the parties named in this act, or a majority of them, with such persons as they may associate with themselves for this purpose, are hereby appointed Commissioners, and invested with the right of forming and organizing said Company, and of exercising the powers of directors until directors are chosen, when the powers of the Commissioners shall cease.

SEC. 4. That the capital stock of said Company shall be divided into shares of one hundred dollars each, each share entitling the owner thereof to one vote, in person or by proxy, at all meetings of the Company, and the shares shall be deemed personal estate, and

shall be transferable by any conveyance in writing, recorded either by the Treasurer, in books kept by him for that purpose at his office, or by any other officer duly authorized by the Directors, in books kept by him at such other place as the Directors may appoint, such transfers as are recorded in any other place, being, within ninety days, communicated to the Treasurer, and by him entered on his books.

Sec. 5. The immediate control and direction of the affairs of the Company shall be vested in a Board of not less than five Directors. Said Directors shall elect one of their own number to be President of the Company; the first Board of Directors shall be chosen by the persons named in this act, and such persons as they may associate with themselves for that purpose; said election shall be held in the city of Galveston, and at such times as the persons named in this act, or a majority of them, with their associates, shall have determined. No person shall be eligible to the office of Director unless he be a subscriber or owner of at least three shares of the capital stock; the Directors shall have power to fill any vacancy in their body, arising from non-election or other cause; they shall have power to appoint a clerk, treasurer, or any other officers or agents, as they may deem necessary; and prescribe and require bonds for the faithful performance of their duties; they may make all necessary rules and regulations for the holding of meetings, and all other things they may deem proper for the carrying out the provisions of this charter and business of the Company; they shall keep, or cause to be kept, correct records of all meetings of the Directors and Company, and accurate books and accounts of the receipts and expenditures of the Company, and all other books and accounts necessary and proper to be kept by such Company; which book shall be open to the inspection of the stockholders; a majority of the Board of Directors shall have the power of a full Board, and all conveyances and contracts executed in writing, signed by the President and countersigned by the Treasurer, or any other officer duly authorized by the Directors, under seal of the Company, and in pursuance of a vote of the Directors, shall be valid and binding.

Sec. 6. That the Directors shall have power to dispose of the shares in said capital stock, in such manner and on such terms as they may deem best for the interest of the Company, and any agreement in writing whereby any person shall become a subscriber to the capital stock of said Company may be enforced against him according

to its terms. If any subscriber shall fail to pay any amount due upon shares subscribed for by him, according to the terms of his subscription, the Directors may, after twenty days public notice, sell at public auction the shares subscribed for by said delinquent, and transfer to the purchaser such shares; if the proceeds of the sale shall not be sufficient to pay the amount due, with interest and charges, such delinquent shall be held liable to the Company for the deficit, and if the proceeds shall exceed the amount so due with interest and charges, he shall be entitled to the surplus.

Sec. 7. It shall be lawful for the Company to purchase and hold any land that may be necessary for the purpose of locating, constructing and maintaining said railway, with all necessary depots and other buildings, and by their engineers or agents, enter upon and take possession of all such lands as may be necessary for the locating, constructing and maintaining said railway, and if they shall not be able to obtain such lands by agreement with the owner, they shall pay for the same such amount as shall be determined in the manner provided for in the following section; the land so taken for the railroad shall not exceed fifty yards in width, and for depots and buildings only such further width as may be necessary.

Sec. 8. That any person from whom lands have been taken for the purposes set forth in the preceding section, may apply to the District Court of the county wherein said lands are situated for the appointment of appraisers, and said Court, after proof that the President or other officer of the Company has been served with a notice describing the land ten days before the holding of the Court, the Court shall thereupon appoint three disinterested freeholders, citizens of the county, who shall appoint a time and place to hear the application, and the Company, to whose agent or President a reasonable notice shall be given by the Court of said time and place, and said freeholders being sworn, shall, after hearing the parties, determine the amount of compensation as aforesaid, and make return of their award to said Court at its next term, and said award may be confirmed, or for any sufficient reason, rejected by said Court, in the same manner as awards by arbitrators under a rule of Court, and if confirmed by the Court, judgment shall be rendered thereon as in other cases. In determining the amount of compensation to be paid as aforesaid, said freeholders shall be governed by the actual value of the land at the time it was taken, taking into consideration the benefit or injury done to other neighboring lands of the owner, by

the establishment of said railway; if in any case the amount found by the arbitrators shall not exceed the sum proved to have been offered by the Company to the owner prior to his application to the Court, the owner shall pay the costs of proceedings; otherwise, the Company shall pay the same.

SEC. 9. That said Company may acquire by purchase, donation, or in payment of stock, such real estate as the Directors shall think desirable for the purpose of aiding in the construction or maintenance of said road, and such real estate acquired by the Company, may be alienated or mortgaged by a vote of the majority of the Directors, for the constructing or maintaining said railway; said alienation or mortgage shall be signed in the name of the President and countersigned by the Treasurer.

SEC. 10. That the said Company shall have power to borrow money on their bonds, or notes, at such rates as the Directors deem expedient. Provided, however, that nothing in this act shall be construed to confer banking privileges of any kind.

SEC. 11. That upon the written request of one-fourth of the stockholders, the President of the Company shall call a special meeting of the Directors, and upon the written demand of three-fourths of the stockholders, the President shall remove any one, or the whole of the Directors, and order a new election within thirty days, which Directors so elected shall hold their offices until the time prescribed for the next regular election.

SEC. 12. That if said railway is not commenced within twelve months from the first day of March, 1853, and at least forty miles are not in running order within three years after its commencement, then this charter shall be null and void.

SEC. 13. That the Company is hereby required at all reasonable times and for a reasonable compensation, to draw over their road the passengers, merchandise, and cars of any other railroad corporation, which has been or may hereafter be authorized by the Legislature to enter with their railroad and connect with the railroad of this Company; and if the respective companies shall be unable to agree upon the compensation aforesaid, it shall be the duty of the President of each company to select each one man as a commissioner, and the two commissioners so selected shall choose a third in case of disagreement, neither of whom shall be a stockholder in either road, or interested therein, and they shall fix the rates, which

shall not be changed for one year from the time of going into effect. The said Commissioners shall also fix the stated periods at which said cars are to be drawn as aforesaid, having reference to the convenience and interests of said corporations, and the public who shall be accommodated thereby; the right or power is specially conferred on this Company to connect and contract with any railroad company heretofore or hereafter chartered by this State, for the performance of like transport, and in case of disagreement between companies, the same shall be referred and settled as aforesaid, to be binding for one year as aforesaid.

SEC. 14. That this act of incorporation shall expire in ninety years, unless it shall be renewed or extended.

SEC. 15. That this Company shall be subject to the provisions of any general laws not inconsistent with the terms of its charter, which may be enacted by this State, regulating railroad companies.

SEC. 16. That this act shall take effect from its passage.

AN ACT

Supplementary to an act to establish the Galveston, Houston and Henderson Railroad Company.

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That there shall be granted to said Company eight sections of land, of six hundred and forty acres each, for every mile of railway which shall be actually constructed by them and ready for use, and upon the application of the President of the Company, or any duly authorized agent thereof, stating that any section of twenty miles or more of said railway has been completed and ready for use, it shall be the duty of the Comptroller of Public Accounts to require the State Engineer, or a Commissioner to be appointed by the Governor, to examine said railway, and upon his certificate that said section or sections of said railway has been completed in a good and substantial manner and ready for use, the Comptroller shall give information of that fact to the Commissioner of the General Land Office, whose duty it shall be to issue to said Company land certificates to the amount of eight sections of land, of six hundred and forty acres each, for each and every mile of railway thus completed and ready for use. Such certificates may be located upon any unappropriated public domain of the State of Texas, and upon the return of the field notes of any survey made by virtue of any certificate so issued, it shall be the duty of the Commissioner of the General Land Office to issue patents to said Company in their corporate name. And in all cases where such railway shall pass through any public lands, all such lands to the depth of three miles from the exterior lines of the tract on each side thereof, shall be and hereby are reserved for the State, from and after the time such tract shall be fixed or designated by survey; and the said lands as fast as the road is continued, shall be divided into sections fronting one mile each on the road, which sections shall be numbered and the corners of such sections on the road plainly marked, and of those reserved lands; provided, said lands are designated or selected within ten years from the passage of this act, the Company shall have the right by virtue of any of their certificates, issued in accordance with the provisions of this act, to cause to be located, surveyed and patented by virtue of the certificates aforesaid for their use, each alternate section, such section in each instance embracing a tract of land fronting one mile on said road, and extend-

ing back three miles, reserving an equal width, and the remaining sections shall continue the property of the State until disposed of by the State. And that said Company shall be required to alienate the lands granted to them by this act in the following manner: one-fourth in six years, and one-fourth in eight years, and one fourth in ten years, and the remainder in twelve years from the time the same was acquired.

SEC. 2. Said Company is also hereby further authorized and empowered to extend said railway from the town of Henderson, in Rusk county, by such course and in such direction as the Company may deem proper, in order to connect with the Pacific or any other railway east of the Trinity river; and this act shall take effect and be in force from and after its passage.

Passed January 10, 1854.

AN ACT

To amend an act supplementary to an act, "To Establish the Galveston, Houston and Henderson Railroad Company," approved January 10th, 1854.

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That the second section of the above recited act shall be so amended as to read as follows: That said Company is also further authorized and empowered to extend said railway from the town of Henderson, in Rusk county, so as to connect with any railway at or near Fulton, on the eastern boundary of the State of Texas, and the said Company shall have six months after the thirtieth day of January, 1856, to complete the first twenty-five miles of their road contemplated by their charter, in order to entitle them to the rights, benefits and privileges granted by an act approved January the thirtieth, eighteen hundred and fifty-four, entitled "An act to encourage the construction of railroads in Texas, by donations of lands." Provided, that said Company shall, on or before the completion of said twenty-five miles of their road, establish their principal office on the line of said road, and there keep the same during the continuance of their charter, with all the books, papers and documents of said Company, and the same shall at all times be subject to the inspection and examination of any stockholder of said Company, and upon the application of said Company at any time for the benefit of the act approved "January the thirtieth, eighteen hundred and fifty-four," to encourage the construction of railroads by donations of land, it shall be proved to the satisfaction of the Governor of the State, that said Company have established their principal office upon the line of their road, and have kept all their books, papers and documents therein, according to the provisions of this act; and a majority of the Directors of said Company shall reside in this State; and all elections for officers of the Company shall be held in the State.

SEC. 2. That said Railroad Company, in accepting the benefits of this act, shall have no branching privileges, except such as are expressly granted by the provisions of its charter, to certain points, and shall be required to spend only so much of its capital stock upon any branch as shall be expressly subscribed to such branch,

and shall not expend upon its trunk any moneys subscribed to any branch, and shall be required to complete its main trunk to the point contemplated in its charter before building any branch road.

SEC. 3. That nothing in this act shall be so construed as to effect (affect) the right of the State to repeal or modify the act of January 30th, 1854, entitled "An act to encourage the construction of railroads in Texas by donations of land." Provided, that the right to land acquired before said repeal or modification shall in all cases be protected.

SEC. 4. That the provisions of an act entitled "An act to regulate railroad companies," approved February 7th, 1853, shall apply to the Galveston, Houston and Henderson Railroad Company, and this act shall take effect from and after its passage.

Approved 23d January, 1856.

AN ACT

Supplementary to and amendatory of an act to amend an act supplementary to an act to establish the Galveston, Houston and Henderson Railroad Company, approved January 10th, 1854, and approved January 23d, 1856.

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That if the Galveston, Houston and Henderson Railroad Company shall complete twenty-five miles of its road, and have the same in running order, on or before the first day of May, 1857; it shall be entitled to receive from the State sixteen sections of land a mile therefor, under the provisions of an act to encourage the construction of railroads in Texas by donation of lands, approved January 30th, 1854, and upon the completion of twenty-five miles of said road within each year after the said first day of May, 1857: the said Company shall be entitled to receive sixteen sections of land a mile therefor, under the provisions of the said act until the same be repealed or expire by limitation.

SEC. 2. That the said Company shall be and is hereby allowed until the first day of November, 1857, to complete forty miles of its road in order to save its charter from forfeiture.

SEC. 3. That this act is passed and these privileges are granted to said Company upon the following terms and conditions: 1st. That said Company abandons all claim or right to land from the State, under its charter or any other law of this State, except the said act to encourage the construction of railroads in Texas by donations of land, approved 30th of January, 1854. 2d. That said Company shall, within six months from the passage of this act, establish its principal office of business within this State, and keep therein all its records, and shall continue thereafter to keep said office and records within this State. 3d. That all future meetings of said Company for the election of the Directory and officers shall be held within this State. 4th. That at the expiration of twelve months from the election for Directors and officers heretofore held, or within six months from the passage of this act, a majority of the Directors shall be residents and citizens of the State of Texas, and forever thereafter a majority of said Directors shall be residents and citizens of Texas.

SEC. 4. That if the said Company accepts the benefits of the first and second sections of this act, or either of them, the same shall be considered as an acceptance and assent to the terms and conditions specified in paragraph one, two, three and four of the third section of this act, and if the said Company shall fail in all respects to comply with the said terms and conditions specified in the said third section, and after accepting the benefits of the said first and second sections, it shall take no rights or benefits under said first and second sections, if the said Company shall fail to comply with any of said terms and conditions, its charter shall be forfeited.

SEC. 5. That this act shall take effect from and after its passage.

Approved July 24th, 1856.

AN ACT

For the relief of the Galveston, Houston and Henderson Railroad Company, and in amendment of the act of incorporation thereof, and of the acts amending the same in addition thereto.

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That the benefits and privileges granted to the said Galveston, Houston and Henderson Railroad Company, in and by the first section of an act entitled an act supplementary to and amendatory of an act to amend an act supplementary to an act to establish the Galveston, Houston and Henderson Railroad Company, approved January 10, 1854, and approved January 23d, 1856, which was approved July 24th, 1856, be the same is hereby renewed, extended and continued in force; and all penalties and forfeitures incurred by said Railroad Company by reason of the failure to complete the forty miles of road mentioned and specified in the second section of said recited act, be, and the same are hereby released and remitted; *provided*, always, and the said release and remission is upon the express stipulation and condition that the fifteen miles of road which remain incomplete and unfinished of the said forty miles, shall be fully completed and finished and in good running order on or before the first day of November, 1858.

SEC. 2. That if said Galveston, Houston and Henderson Railroad Company shall, from and after said first day of November, 1858, build, construct and finish, so that the same is in good running order, so much of their road every year as is now, or may hereafter be required under and by the provisions of the act of the Legislature of the State of Texas, passed January 30th, 1854, and entitled an act to encourage the construction of railroads in Texas, by donations of land, or as may hereafter be required under the provisions of any amendment that may hereafter be made to said act, then said Company shall be entitled to receive from the State sixteen sections of land a mile therefor, under the provisions of said act of January 30th, 1854, until said act be repealed or expire by limitation.

SEC. 3. That this grant is made and extended upon the express condition, that the terms and conditions mentioned in and imposed by the third section of the said recited act of July 24th, 1856, have been accepted and performed by said Railroad Company, and that

said Company shall hereafter be liable and bound in all respects, for all debts incurred and contracts hereafter made by it in the same manner and with the same effect as it was previous to the first day of November, 1857.

SEC. 4. That this act shall take effect and be in force from and after its passage.

Approved November 20, 1857.

AN ACT

To incorporate the Galveston and Houston Junction Railroad Company.

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That E. B. Nichols, G. Ball, J. H. Hutchings, Jno. Sealy, J. Kauffman, Willis Randle, Wm. Hendley, J. J. Hendley, J. L. Sleight, L. M. Hitchcock, Joseph Bruns, N. B. Yard, J. L. Briggs, Robert Mills, D. G. Mills, J. W. Jockusch, T. H. McMahan, B. R. Gilbert, J. Osterman, Thos. B. Power, S. B. Lewis, H. Lewis, J. M. Brown, James Sorley, J. C. Smith, J. Dean, I. Dyer, S. Southwick, A. P. Lufkin, B. F. Terry, J. P. Davie, W. R. Smith, W. Cooke, E. S. Wood, J. S. Sydnor, T. W. Pierce, J. S. Leclerc, W. J. Hutchins, their associates and successors, be, and they are hereby constituted and declared to be a body politic and corporate, under the name and style of the Galveston and Houston Junction Railroad Company; *provided*, that the parties named in this act shall only be authorized to act as Commissioners, to organize said Company, by receiving subscriptions to its capital stock.

SEC. 2. [That] said Company under the name and style aforesaid, shall be capable in law of suing and being sued, pleading and being impleaded, defending and being defended in all courts whatsoever in this State, and may have a common seal, and alter the same at pleasure.

SEC. 3. That said Company is hereby invested with the right to locate, construct, own, maintain and operate a railroad, commencing at or near Houston on the line of the Galveston, Houston and Henderson Railroad and running through or around the city of Houston, and connecting with the Texas Central Railroad, and not to exceed ten miles in length, to be used for the transportation of passengers, mails and freight, by locomotives propelled by steam, and cars attached as used on other railroads, and charge and receive compensation therefor, and to be regulated by, and subject to all the general laws now in force, or hereafter to be passed for the regulation of railroads.

SEC. 4. That the capital stock of said Company shall not exceed one hundred and fifty thousand dollars, divided into shares of one hundred dollars each, and said persons out of their number shall

elect a President, and Secretary, and Board of Directors, which election shall take place in Galveston, on or before the 10th day of August, 1861, who shall hold their offices until others are appointed under the by-laws of said Company, and said Company are authorized and empowered to make all by-laws and regulations for the government of said Company, not in contravention of the Constitution and laws of the State, and shall establish and keep their office in the city of Galveston.

SEC. 5. That said Company shall complete said road and make said connection between the Galveston, Houston and Henderson, and Texas Central Roads, on or before the first of January, 1863; *provided*, that in case a connection by railroad shall be made through the city of Houston between the Texas Central and the Galveston, Houston and Henderson Railroad of the same gauge as those roads, by the 1st day of July, 1861, then all rights under this charter shall cease and determine.

SEC. 6. That this act take effect from its passage.

Approved April 8, 1861.

AN ACT

To revise and continue in force an act entitled "An act to incorporate the Galveston and Houston Junction Railroad Company," approved April 8, 1861, and to amend said Act.

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That the act entitled "An act to incorporate the Galveston and Houston Junction Railroad Company," approved April 8, 1861, be and the same is hereby revised and continued in force as fully and with the same effect as though the railroad contemplated to be built and connection made under and by the provisions of said act of incorporation had been fully completed before the 1st day of January, A. D. 1863.

SEC. 2. The fourth section of said act is hereby amended so that the same shall hereafter read as follows, to-wit: The capital stock of said Company shall not exceed the sum of five hundred thousand dollars, divided into shares of one hundred dollars each, and the persons who were acting as President and Directors of said Company, on the thirty-first day of December, A. D. 1862, together with J. S. Sydnor, shall be considered and act as such President and Directors of said Company until the regular time fixed by the by-laws of said Company, in force previous to January 1, 1863, shall have arrived, when the stockholders may elect a new Board of Directors and other officers as provided by the by-laws of the Company, said Company may make all by-laws and regulations for the government of the same and its affairs, not in contravention of the laws of the State, and may alter the same at pleasure, and the rights of all persons who were stockholders in said Company on the 31st day of December, 1862, are hereby fully preserved as stockholders therein, under this act, and the said original charter. The principal office of said Company shall be kept in the city of Galveston; but the Company may, at their option, keep such office at the city of Houston during the continuance of the war between the Confederate States and the United States. Said Company may acquire and hold such railroad locomotives and rolling stock and fixtures as they may think proper, and may, at their option, rent or hire the same to any other railroad company, and the right of way for their railroad, and all rights of property and action acquired by said Company previous to

December 31st, 1862, are hereby fully vested in said Company under this act and said original charter.

Sec. 3. The fifth section of said act is hereby amended, so that the same shall hereafter read as follows, to-wit: Said Company shall complete said road and make said connections between the Galveston, Houston and Henderson and Texas Central Railroad of the same guage as those roads, on or before the 1st day of January, A. D. 1864, unless prevented by the public enemy, in which event they shall complete the same within six months after the close of the war between the Confederate States and the United States.

Sec. 4. This act shall be in force from and after its passage.

Approved February 25th, 1863.

ARTICLES OF ASSOCIATION

OF THE

GALVESTON, HOUSTON AND HENDERSON RAILROAD COMPANY OF 1882.

WHEREAS, Russel Sage and Jay Gould, of the City and State of New York, have purchased all the rights, franchises and the entire corporate property of the Galveston, Houston and Henderson Railroad Company of 1871, claiming and having existence by virtne of an act of the Legislature of the State of Texas, entitled "An act to incorporate the Galveston, Houston and Henderson Railroad Company," passed 7th February, 1853, and the several acts supplemental thereto and amendatory thereof, at judicial sale in the city of Galveston, Texas, on the first day of August, 1882, under decree of the Honorable the District Court of the United States in and for the Fifth Judicial Circuit, rendered on the 23d day of March, 1882, in case numbered 143 on the equity docket of said Court, wherein Russel Sage and Jay Gould, as trustees, are complainants, and the said Galveston, Houston and Henderson Railroad Company of 1871, is defendant;

AND WHEREAS, Among the rights and franchises so purchased, as well as by the general laws of the State of Texas, is the right to be a corporation, and have and exercise all the powers, privileges and franchises granted to said Company by its original charter, and the general laws of said State;

NOW, THEREFORE, be it known that we, the said Russel Sage and Jay Gould, have associated with us in the purchase above named, the undersigned subscribers hereto, to-wit: [here insert the names of not less than five others, four of whom must be residents of Texas],

and we do hereby associate together as purchasers and owners of all the said property, premises, franchises, chartered and corporate rights and privileges, and we do hereby declare this instrument to be our act of association and organization as a corporation under said purchase, and said act of 7th February, 1853, and the acts supplemental thereto and amendatory thereof, and the general laws of the State of Texas; and that we are the sole stockholders in the corporation hereby reorganized, and as such adopt the following by-laws:

ARTICLE I.

SECTION 1. Our corporate name shall be the "Galveston, Houston and Henderson Railroad Company of 1882." This corporation, as now reorganized, is entirely distinct from and is in no way liable for the acts, contracts, debts, obligations or liabilities of any previous corporation or organization under said act of 7th February, 1853, or under any previous sale of said railroad and franchises, but it dates from the time of the purchase aforesaid by said Sage and Gould, say first August, 1882, and is responsible only for its acts from that date.

SEC. 2. The officers of this corporation shall consist of a President, Vice President, Secretary and Treasurer; provided, that the same person may be both Secretary and Treasurer by vote of the Board of Directors.

ARTICLE II.

SECTION 1. The Board of Directors shall consist of seven stockholders, who shall be elected by ballot at the annual meeting of stockholders. But until such election, the stockholders signing this instrument shall constitute said Board of Directors, and be vested with all the powers as if regularly elected as herein provided.

SEC. 2 The Board of Directors shall hold an annual meeting at the same time and place as the stockholders; they may fill any vacancies that may occur in the Board, or in any office, at any meeting that may be held after the vacancy occurs; they shall also meet immediately after their election, and elect from their number a President, a Vice President, a Secretary, and a Treasurer. But until an election takes place, as herein provided, the Directors signing this instrument shall elect said officers.

SEC. 3. The President, when present, shall preside at all meetings

of the Directors; sign all certificates of stock, and all deeds, mortgages, other contracts, requiring the seal of this corporation, and superintend generally the affairs of the Company.

SEC. 4. In absence of the President, or in case of vacancy from any cause, the Vice President shall discharge the duties of the President.

SEC. 5. The Secretary shall perform the duties usually performed by such officer; he shall countersign all stock certificates, and all deeds and contracts of the corporation requiring its seal, and be the custodian of the seal, books and records of the Company.

SEC. 5. The Treasurer shall perform the duties usually pertaining to that office, and give bond and security in such sum as the Board of Directors may require.

SEC. 6. The Board of Directors may be called to meet at any time by order of the President, or in absence, by the Vice President.

ARTICLE III.

SECTION 1. The capital stock of this Company shall be dollars, subject to be increased as provided in the general laws of the State, and the share shall be transferred only at the general office of the Company, which is in the city of Galveston.

SEC. 2. There shall be an annual meeting of the stockholders held at the general office of the Company on the first Tuesday in April of each year, and special meetings may be called at any time in accordance with the provisions of the general laws of the State.

ARTICLE IV.

SECTION 1. The President and two members of the Board of Directors, chosen by the Board, any two of whom may act, shall constitute an Executive Committee, with power to do all things required for the interest of the Company in the interval between the meetings of the Board of Directors, but subject to approval of said Board, to which all acts of the Executive Committee shall be reported.

Witness our signatures.

The Galveston, Houston and Henderson Railroad Company OF 1882.

TO

THE MERCANTILE TRUST COMPANY.

FIRST MORTGAGE.

DATED APRIL 1, 1883.

THIS INDENTURE, made and entered into this first day of April, A. D. eighteen hundred and eighty-three, by and between the GALVESTON, HOUSTON AND HENDERSON RAILROAD COMPANY OF 1882, a corporation duly created and organized under and by virtue of the laws of the State of Texas, hereinafter called the Railroad Company of 1882, of the first part, and the MERCANTILE TRUST COMPANY, hereinafter called the Trust Company, a corporation duly created and organized under and by virtue of the laws of the State of New York, of the second part,

WITNESSETH:

THAT WHEREAS, The said Railroad Company of 1882 has become the owner, by subsequent purchase and organization, under the purchase made by Jay Gould and Russell Sage of all the property, rights, privileges and franchises of the Galveston, Houston and Henderson Railroad Company of 1871, which purchase was made at a judicial sale had in pursuance of a decree entered in the Circuit Court of the United States, for the Eastern District of Texas, on the 23d day of March, 1882, which proceedings were had in a suit of foreclosure of a mortgage, wherein the said Jay Gould and Russell

Sage were plaintiffs, and the said Galveston, Houston and Henderson Railroad Company of 1871 and others were defendants; and

WHEREAS, It was heretofore and at the time of said purchase agreed by and between the said Jay Gould and Russell Sage and the holders of the bonds of said Galveston, Houston and Henderson Railroad Company of 1871; that in exchange for each one thousand dollars of the bonds held by said bondholders there should be issued and delivered to said bondholders, their successors, personal representatives or assigns, bonds to the like amount of the series hereinafter described, secured by a purchase-money mortgage or deed of trust, which mortgage should be a first lien upon the railroad and property of said Galveston, Houston and Henderson Railroad Company of 1871, purchased as aforesaid, the said issue of bonds not to exceed two millions of dollars in amount; and

WHEREAS, In accordance with said agreement and in payment of the said purchase, the stockholders and Board of Directors of the said Galveston, Houston and Henderson Railroad Company of 1882 have duly authorized the making and issuing of the series of bonds hereinafter described, and also the making of this deed of trust or mortgage for the purpose of securing the payment of said bonds and the interest thereon; and

WHEREAS, Said bonds are numbered from one to two thousand, both inclusive, and are, together with the certificate of the trustee appearing thereon, and the coupons attached thereto, in the form following:

No. ——— $1,000.

THE GALVESTON, HOUSTON AND HENDERSON RAILROAD COMPANY OF 1882.

FIRST MORTGAGE BOND.

KNOW ALL MEN BY THESE PRESENTS:

That the Galveston, Houston and Henderson Railroad Company of 1882 is indebted to the Mercantile Trust Company, or bearer, in the sum of one thousand dollars in lawful money of the United States of America, which the said Railroad Company promises to pay to the bearer thereof, on the first day of April, in the year nineteen hundred and thirteen, in the City of New York, and also to pay, according to the terms of the mortgage hereinafter mentioned, in-

terest thereon semi-annually at the rate of five per centum per annum, lawful money of the United States, at its office or agency in said City of New York, on the first days of April and October in each year, upon the presentation and surrender of the coupons hereto attached, as they severally become due as provided therein. In case of default in the payment of any of the interest coupons attached to these bonds in the manner provided in the said mortgage, then, and in that case the principal sum of this bond shall become due in the manner and with the effect provided in the said mortgage. Stockholders of the said Railroad Company are not individually liable on this bond or in respect thereto.

This bond is one of a series of first mortgage bonds of one thousand dollars each, numbered consecutively from one to two thousand, inclusive, issued by said Railroad Company, all of which bonds are of like tenor, date and effect (except as to the numbers thereof), and are secured by a mortgage bearing even date herewith, and made by said Railroad Company to the Mercantile Trust Company, of New York, conveying in trust, the road of said Railroad Company, and the franchises, property, equipment and rolling stock pertaining thereto, as specified in said mortgage.

This bond shall not be obligatory until authenticated by a certificate of the Trustees aforesaid, endorsed hereon, to the effect that the same is one of the series of bonds described in and secured by said mortgage.

In witness whereof, the Galveston, Houston and Henderson Railroad Company of 1882, has caused these presents to be signed in its name and on its behalf by its President and Treasurer, and its common seal to be affixed hereto, and the annexed interest coupons to be signed by its Treasurer, this first day of April, A. D. eighteen hundred and eighty-three.

THE GALVESTON, HOUSTON AND HENDERSON RAILROAD
COMPANY OF 1882,
By ——— ———, President.

Countersigned:
——— ———, Treasurer.

[FORM OF COUPON.]

On the first day of A. D. , the Galveston, Houston and Henderson Railroad Company of 1882, will pay the bearer at its office or agency in the City of New York, twenty-five dollars, being interest for six months on bond No. ———.

——— ———,
Treasurer.

[TRUSTEE'S CERTIFICATE.]

It is hereby certified that this bond is one of the series of bonds of one thousand dollars each, described and secured by the mortgage within referred to.

_____ _____,

Trustee.

And it is understood and agreed that the engraved signature of said Treasurer upon said coupons shall be sufficient.

NOW, THEREFORE, be it known that the said Galveston, Houston and Henderson Railroad Company of 1882, party of the first part, in consideration of the premises and of the sum of one dollar to it in hand paid by the party of the second part, at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal and interest of its said bonds hereinbefore described, to the extent of two millions of dollars and no more, as the same shall become due, hath granted, bargained, sold, conveyed, assigned, transferred and confirmed, and by these presents doth grant, bargain, sell, convey, assign, transfer and confirm unto the said Mercantile Trust Company, party of the second part, as trustee, and to its successor or successors in the trust hereby created, all and singular the property, rights and franchises of the said Railroad Company, and described as follows, to-wit:

All the railroad of the party of the first part situated in the State of Texas, and extending from its terminal point near the intersection of Thirty-first street and Market street, in the city of Galveston, through said city to Galveston Bay, at or near Eagle Grove; thence by viaduct or bridge across said bay to the main land at or near Virginia Point; thence northerly through the county of Galveston to the county of Harris, and to and into the city of Houston: together with all and singular the road bed, right of way, tracks, side tracks, turn outs, stations, depots and depot grounds, shops, engine houses, coal houses, fuel houses, and all lands, structures and appurtenances intended for the use of the railway described; and all embankments, fences, culverts, bridges, freight houses and other structures intended as aforesaid; and all locomotives, freight and passenger cars, hand cars, gravel and construction cars; all machinery, tools, implements and materials intended for the use of said road; intending to include all interest, property, estates, rights and franchises

belonging to the said Galveston, Houston and Henderson Railroad Company of 1882, with the income thereof.

To have and to hold all and singular the premises, rights, franchises, real and personal property hereby conveyed, with the appurtenances thereunto belonging, unto the said The Mercantile Trust Company, and to its successors in said trust forever; in trust, however, for the person or persons, and bodies politic or corporate, who shall at any time become the purchasers or holders or owners of the said two thousand bonds, or any part thereof, or any part of the coupons attached thereto.

If the said Railroad Company of 1882, or its successors or assigns, shall well and truly pay, or cause to be paid, the several sums of money specified in the several bonds hereinbefore described, as well the principal as the installments of interest, according to the tenor and effect of said bonds and of each and every of them, or if said bonds and the interest payable thereon, become in anywise paid or satisfied, then, and in such case, the estate, right, title, interest and demand of said party of the second part, its successors in said trust and assigns, shall cease, determine and become void, otherwise to be and remain in full force and virtue in law, and for the benefit and security of the holders of said bonds and each of them.

Until default be made in the payment of the principal or interest of said bonds or of some or any of them, the said Railroad Company shall be permitted to possess, operate, manage and enjoy said railroad, with its appurtenances, and to take and use the rents, incomes, tolls, issues and profits thereof, in the same manner and with the same effect as if this deed had not been executed.

In case default shall be made in the payment of any installment of interest accruing on said bonds or any of them, and such default shall continue for a period of six months after the maturity thereof, it shall be lawful for said party of the second part, or its successors in said trust, by themselves, their agents, or attorneys, to enter upon, take possession of, manage, operate and control the railroad and property hereby conveyed, by superintendents, receivers and managers thereof, making from time to time all needful repairs, replacements, and such alterations, additions and improvements as may seem to be judicious and proper, and to collect and receive all rents, tolls, incomes, issues and profits thereof, and, after deducting the expenses of operating said railroad and property, and all costs of improvements, and any taxes that may have accrued thereon, as well as

just and reasonable compensation for their own work and labor in and about the premises, to apply the moneys arising therefrom to the payment of interest in the order in which it becomes due, and ratably to the persons entitled thereto, and when said interest so in default and any installment of interest subsequently maturing shall be paid up, then said party of the second part shall restore the possession of said railroad to the said party of the first part.

If default shall occur in the payment of any instalment of interest, and such default continue for the space of six months after maturity and demand therefor, then if a majority in value of the holders of said bonds then outstanding and secured by this mortgage shall determine and notify said trustee that they require that the principal of all said bonds become at once due and payable, said bonds shall thereby become due and payable, notwitstanding any clause contained therein to the contrary, and if said principal sum shall become due and not paid by said first party according to the tenor of said bonds, and upon written notice by the holders of a majority of the bonds issued and outstanding under the authority hereinbefore mentioned, the said trustee shall have the power to enter upon and take possession of said railroad, with the appurtenances and all and singular the property and franchises hereby mortgaged, and the agents of the said Railroad Company are hereby authorized and required to deliver up the same; and said trustees shall cause said mortgaged premises to be sold at public auction at the City of New York, or at the city of Galveston, Texas, as may be directed by the holders in interest of a majority of said bonds, giving at least three months' notice of the time and place and terms of sale, and of the specific property to be sold, publishing the same in two daily newspapers in said City of New York, and one in the cities of Galveston and Houston, Texas; to adjourn said sale from time to time if necessary in their opinion; and if the same shall be adjourned, to sell without further notice of the time and place of sale, and to execute to the purchaser or purchasers a good and sufficient deed in fee simple for the same, which shall be a bar against the party of the first part and all persons claiming by, through or under it, of all right, title, claim or demand in and to the mortgaged premises, or any part thereof, and out of the proceeds of such sale and the income that may have been received for the use, operation and management of said road while in possession of such trustees, after deducting just allowances and expenses, as in the preceding article mentioned, to pay, first, the interest; and second, the principal of said bonds, ratably, and with

due regard to the successive maturity of different series of coupons, as far as said proceeds will go for that purpose; and in case any surplus should remain, to pay the same over to the party of the first part. But in case it shall not be deemed proper or expedient to seize and sell the premises hereby mortgaged in pursuance of the power herein granted, then it shall be the duty of said trustee to proceed, in any proper tribunal, to foreclose said mortgage according to the usual and established principles of law and equity; but it is expressly understood and agreed between the parties, that in no case whatever shall the party of the first part claim any right or advantage by reason of any valuation, appraisement, stay or extension laws that now exist or may hereafter be enacted; and said first named party hereby releases to the second party all and every such right, claim and demand, and hereby further agrees that it will neither apply for an injunction nor any stay of proceedings, to arrest or prevent such sale from being made or possession being taken as hereinbefore provided.

It is hereby expressly declared that this instrument is made, and the trust herein declared upon condition, that if any sale shall be made under and by virtue of this mortgage, whether by judicial decree of foreclosure, or in execution of the trust so created, either by judicial decree or otherwise, the holders of a majority of the said bonds then outstanding shall have the right to have said premises, and all property herein embraced, purchased for the use and benefit of all the holders of said then outstanding bonds.

In case such sale shall be made by any person or officer other than the trustee herein named, or its successors, then the holders of the majority of said bonds outstanding shall have the right, by notice in writing, to require the said trustee, or its successors, to make such purchase on such terms as they in said notice shall prescribe. And in case said sale shall be made by said trustee, then the holders of a majority of said outstanding bonds shall have the right to appoint any other person whom they may choose to make such purchase on such terms as they may prescribe. If any person other than such trustees shall be so appointed, such appointment and the terms of purchase shall be in writing, a copy of which writing shall be delivered to said trustee, or its successor, before such sale.

And if the holders of a majority of said outstanding bonds shall elect to have said purchase made as aforesaid, and shall prescribe the terms on which they desire to make the same, then it shall be the

duty of said trustee, or its successors, or such other person as may be appointed as aforesaid, to make such purchase if the same can be made on the terms so prescribed, and having so purchased said premises and property, the right and title thereto shall vest in the said trustee or person so purchasing, for the use aforesaid, and no bondholder shall have any claim to the said premises or property, or the proceeds thereof, except his *pro rata* share therein, as represented by a new company or corporation, to be formed for the use and benefit of the holders of all said bonds then outstanding. And said trustee, or person making said purchase, shall take such lawful measures as may be deemed for the interest of all said bondholders to organize a new company or corporation; said company or corporation to be so organized upon such terms, conditions and limitations, and in such manner as the holders of a majority of said outstanding bonds shall in writing request or direct. And thereupon the said trustee, or other person making said purchase, shall convey said premises and property to the new company or corporation. And it is hereby declared that all persons who shall claim any interest, benefit or advantage by virtue of this instrument, or the trust thereby created, shall take the same, subject to all the terms herein contained, and subject to all the rights and powers conferred by this instrument on the holders of a majority of the bonds hereby secured.

In case of the resignation or incapacity of the trustee, herein named to act as trustee, or in case of the death, resignation or incapacity to act of any successor of said trustee, it shall be the duty of the Board of Directors of said Railroad Company of 1882, immediately thereafter, to make application to some proper Court of Record, at the county where the general office of said Railroad Company of 1882 is located, for the appointment of some suitable person, persons or corporation to become the successor of said trustee, and thereupon the person, persons or corporation so appointed shall be and are hereby vested with all the estate, rights and privileges, and liable to all the duties by this instrument conferred upon or to the party of the second part, to the same extent as if each person, persons or corporation were herein named.

It is hereby agreed and understood that for the better assurance to the party of the second part, and to the holders of the bonds secured by this instrument, the party of the first part agrees that it will, on demand, at any and all times hereafter, make, execute and deliver all such other and further conveyances and assurances for

the better assuring unto the said trustee and its successor or successors in the trust hereby created, the said railroad, with appurtenances, equipment and property hereinbefore described, or intended so to be, and all other property belonging to said party of the first part, now owned or hereafter to be acquired, as above provided and set forth, or any and all the franchises now held or hereafter to be acquired by the party of the first part, as said trustee, or its successors, by their counsel shall reasonably advise, devise or require.

Whenever it shall happen, from changes required to be made in said railroad and appurtenances, that any parcels of property, whether real or personal, have become unnecessary or useless to the said Railroad Company of 1882 for its business, by reason of change of line or depot, or other grounds, or when any of the personal property shall become worn out or inefficient and unnecessary to the operation of said railroad, then and in such case it shall be lawful for the Directors of said Railroad Company of 1882 to make sales, exchanges or other disposition of such parcels of real or personal property as they may deem for the best interest of said Railroad Company, and upon the sale of such property, the purchase money shall be received by said trustee, its successor or successors in said trust, subject to the trusts and provisions of these presents; or, in case other property shall be acquired, by exchange or otherwise, to replace the property so sold or disposed of by said Railroad Company, the property so acquired shall be held subject to the lien of this mortgage, as if it was the property of said Railroad Company of 1882 at the date hereof; and the parcels of property so sold and disposed of by said Directors shall be exempt from the lien herein created.

It is further agreed that the said trustee shall not be required to take any action under this deed, in the event of default, until the party asking such action shall have indemnified such trustee for expenditure necessarily involved.

In witness whereof, the said party of the first part, that is to say, the said Galveston, Houston and Henderson Railroad Company of 1882, has caused these presents to be signed in its incorporate name by W. H. Harding, its President, countersigned by D. S. H. Smith, its Treasurer, and attested by D. S. H. Smith, its Secretary, and has caused the corporate seal of said Company to be hereto affixed, as

authorized and directed by its Board of Directors, the day and year above written.

THE GALVESTON, HOUSTON AND HENDERSON
RAILROAD COMPANY OF 1882,

[L. S.] By W. H. HARDING,
President.

Countersigned:
D. S. H. SMITH,
Treasurer.

Attest:
D. S. H. SMITH,
Secretary.

THE MERCANTILE TRUST COMPANY,

[L. S.] By LOUIS FITZGERALD,
President.

Attest:
H. C. DEMING,
Secretary.

STATE OF TEXAS, }
County of Galveston. } ss.

Be it remembered, that on this 5th day of April, 1883, personally came before me, the undersigned, a Notary Public within and for the county aforesaid, W. H. Harding, who, being by me duly sworn, did depose and say that he is the President of the Galveston, Houston and Henderson Railroad Company of 1882, grantor in the foregoing instrument; that the name of said Company is signed to said instrument by him and by virtue of the order of the Board of Directors of said Company, as President thereof; that the seal of the Company attached thereto is the proper and genuine seal of the said Railway Company, and is affixed thereto by order of said Board of Directors. And the said W. H. Harding, the President, acknowledged the foregoing instrument to be the act and deed of the Galveston, Houston and Henderson Railroad Company of 1882 for the uses and purposes therein expressed.

In witness whereof, I have hereunto set my hand and affixed my notarial seal of office, this 5th day of April, A. D. 1883.

WM. H. JOHNSON,

[L. S.] Notary Public for Galveston County, State of Texas.

STATE OF TEXAS, }
County of Galveston, } ss.

Be it remembered, that on this 5th day of April, 1883, personally came before me, the undersigned, a Notary Public within and for the county aforesaid, D. S. H. Smith, who, being by me duly sworn, did depose and say, that he is the Treasurer of the Galveston, Houston and Henderson Railroad Company of 1882, grantor in the foregoing instrument; that he countersigned said instrument by order of the Board of Directors.

In witness whereof, I have hereunto set my hand and affixed my notarial seal of office, this fifth day of April, A. D. 1883.

WM. H. JOHNSON,

[L. S.] Notary Public for Galveston County, State of Texas.

THE STATE OF TEXAS, }
County of Galveston. } ss.

Be it remembered, that on this 5th day of April, 1883, personally came before me the undersigned, a notary public within and for the county aforesaid, D. S. H. Smith, who being by me duly sworn, did depose and say, that he is the Secretary of the Galveston, Houston and Henderson Railroad Company of 1882, grantor named in the foregoing instrument; that he attested said instrument, and affixed the seal of said Company thereto by order of the Board of Directors thereof.

In witness whereof, I have hereunto set my hand and affixed my notarial seal of office, this 5th day of April, A. D. 1883.

WM. H. JOHNSON,

[L. S.] Notary Public for Galveston County, State of Texas.

STATE OF NEW YORK, }
City and County of New York, } ss.

Be it remembered, that on this 12th day of April, A. D. 1883, before me, William H. Clarkson, a Commissioner of Deeds of the State of Texas in and for the State of New York, residing in said City of New York, personally appeared Louis Fitzgerald, President of the Mercantile Trust Company aforesaid, and H. C. Deming, Secretary of the same Company, to me well known to be the individuals described in, and who executed the foregoing instrument, and they acknowledged to me that they executed the said instrument, bearing

date on the first day of April, A. D. 1883, for the uses, purposes, and considerations therein stated, and that the same is their act and deed and the act and deed of the Mercantile Trust Company aforesaid.

And the said Louis Fitzgerald and H. C. Deming, being by me first duly sworn, they did depose and say, that [he,] the said Louis Fitzgerald, was the President of the said Mercantile Trust Company; that he, the said H. C. Deming, was the Secretary of the same Company; that the seal affixed to the foregoing instrument was the corporate seal of said Company; [that it was affixed thereto by order of the Board of Directors of said Company,] and that they signed their names thereto by the like order as the President and Secretary of said Company, respectively.

In witness whereof, I have hereunto set my hand and affixed my official seal this 12th day of April, A. D. 1883.

WILLIAM H. CLARKSON,

[L. S.] Commissioner for the State Texas in New York,

117 Broadway, N. Y. City.

The Galveston, Houston and Henderson Railroad Company OF 1882.

TO

INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY.

LEASE.

Dated March 3, 1883.

THIS INDENTURE, Made on the 6th day of March, 1883, between the GALVESTON, HOUSTON AND HENDERSON RAILROAD COMPANY of 1882, of the first part, and the INTERNATIONAL AND GREAT NORTHERN RAILROAD COMPANY, of the second part:

WHEREAS, The railroads of the parties hereto connect with each other at the city of Houston, in the county of Harris, State of Texas, and the party of the second part having the right by its charter to maintain and operate a line to the city of Galveston, in said State, and the said parties are desirous of entering into a lease and contract with each other in respect to the use, management and working of the railroad of the party of the first part;

NOW, THIS INDENTURE WITNESSETH:

That the party of the first part, for and in consideration of the covenants and agreements on the part of the said party of the second part, hereinafter set forth, have leased, demised, and to farm-let, and by these presents do lease, demise and to farm-let unto the party

of the second part the entire corporate property of the said Railroad Company, the party of the first part, used for railroad purposes, together with all its franchises and privileges, the railroad now constructed and to be hereafter constructed, now held and acquired and to be hereafter acquired, situated in the State of Texas, and now extending from its terminal point near the intersection of Thirty-first street and Market street, in the city of Galveston, through said city to Galveston Bay, at or near Eagle Grove; thence by viaduct or bridge across said bay to the mainland at or near Virginia Point; thence northerly through the county of Galveston to the county of Harris, and to and into the city of Houston through McKinney street, or any other street in the city of Houston, to a point which, if the road is extended in that general direction, will connect and intersect with the Houston and Texas Central Railroad, and with the Houston and Great Northern Railroad. Also from a point near Rusk street, in the city of Houston; thence in a northerly direction, crossing Buffalo bayou at or near Railroad street or avenue, to a point of connection with the main line of the Houston and Texas Central Railroad. Also through any other locality or street in the cities both of Galveston and of Houston, through or over which the railroad of this Company does now run or may hereafter be located, embracing and including the bridge extending across Galveston Bay from said Eagle Grove to Virginia Point, and all franchises and rights appertaining thereto or connected therewith, and also the bridge across Buffalo bayou, and all other bridges upon the line of railroad herein embraced, and all renewals, rebuildings, replacements of said bridges, or either or any of them, whether located upon the present sites thereof or anywhere near the same, provided the same are used for railroad purposes by this Railroad Company, or any successor or assigns thereof, then the said bridge or said replaced or renewed bridges are hereby declared to be embraced in this lease; also all the branch roads and sidings, depots, stations, buildings, machine and other shops, also all the right of way and land occupied by said railroad and appurtenances thereto belonging, and all the lands acquired and appertaining, or which may hereafter be acquired and appropriated for station houses, depots, engine houses, car houses, warehouses, machine shops, work shops, superstructures, erections and fixtures, together with all the appurtenances, rights and privileges thereunto belonging, at any and all points on said road; and also all and singular the locomotives, tenders, passenger cars, freight cars and every and all other cars, carriages, tools, machinery, wood, coal

and fuel, and all other equipments for said railroad now owned or which may be hereafter owned by said Company; and also all goods and chattels or supplies now owned, or which may be hereafter owned by said Company, and in any way relating or appertaining or belonging to or connected with said railroad, or the running or operating of the same; and also all rents, issues, incomes, tolls, profits, currency, moneys, rights, benefits and advantages derived or to be derived, had or received therefrom by said Company in any way whatsoever; excepting, however, from the demised premises all lands owned or held by the party of the first part, as well as other property not needed in connection with or necessary to the maintenance, use and operation of said demised railroad.

To HAVE AND TO HOLD the said demised property, real and personal, unto the said party of the second part, its successors and assigns, to and for the full end and term of ninety-nine (99) years from the date hereof, fully to be completed and ended.

That in consideration of the premises, and in further consideration that the party of the second part has agreed to and does guarantee to the holders thereof, at maturity, the prompt payment of the principal and interest of two thousand of the five per cent. thirty year first mortgage bonds, about being issued by the party of the first part, of one thousand dollars each, aggregating two millions of dollars of principal, the party of the first part hereby covenants and agrees that the party of the second part shall at all times during the term aforesaid have full and exclusive power, right and authority to use, manage and work the said railroad of the said party of the first part, and shall have the right to fix the lawful tolls thereon; and further, that the said party of the second part shall have full, free and exclusive right to charge and collect all of the said tolls on, and freight charges and dues to accrue from said railroad during said term, and to appropriate the same in the way and manner hereinafter mentioned, and shall have, use, exercise and enjoy all the rights, powers and authority aforesaid, and all other lawful powers and privileges, which can or may be lawfully exercised and enjoyed on and about the said demised railroad and property, as exclusively, fully and amply as the same might or could have been used, exercised and enjoyed by the said party of the first part, had this lease and contract not have been made; and as exclusively, fully, amply and entirely as the said party of the first part have authority by law to grant the same.

And in consideration of the premises, the party of the second part hereby covenants and agrees to and with the said party of the first part as follows, viz:

First. That the party of the second part shall and will at all times during the continuance in force of these presents, work, use, manage, maintain, operate, and keep in public use the railroad of the party of the first part, with the appurtenances, and will work, use and efficiently operate the said railroad and appurtenances; and shall and will use all reasonable diligence to collect and receive all the said tolls, freight charges and dues which shall accrue as aforesaid, and apply and appropriate the same in the way and manner following, to-wit: (1) To the payment of the annual cost of repairing, maintaining and perpetuating for public use the said railroad with its equipments and property appurtenant thereto; and the expenses of working, using, managing, maintaining, operating and running the same, excluding reasonable compensation for the use of the engines and cars actually employed thereon, but not owned by the party of the first part; and the cost of any new equipment, side tracks, stations, depots, lands and reasonable or necessary betterments of every kind that the party of the second part may from time to time deem necessary to procure or provide for the business of said road; and also including premiums for insurance, and all tolls, taxes and assessments, now or hereafter levied or assessed under the laws of the United States and of the State of Texas, upon the traffic passing over the said railroad and upon the property of the party of the first part, now or hereafter acquired by the party of the second part, by and under this lease. (2) To the payment of the necessary expenses of maintaining the organization of the Galveston, Houston and Henderson Railroad Company, including the maintenance of necessary offices and agency. (3) To the payment of the principal and interest as the same shall respectively become due and payable from time to time upon the bonds of the Galveston, Houston and Henderson Railway Company, to the amount of two millions of dollars ($2,000,000), issued by said first party and secured by a certain mortgage or deed of trust of said Company, of date the first day of April, 1883, and guaranteed by said party of the second part. Provided, however, that this clause is not intended and shall not have the effect of preventing said party of the first part, with the consent of the second party and the holders, from funding the principal of said bonds at maturity, or any part thereof, into new bonds, on such terms as may be agreed upon. (4) To pay any surplus remaining to

the Galveston, Houston and Henderson Railroad Company, the said party of the first part.

Second. If after payment of the annual cost of repairing and operating the property hereby conveyed, the compensation for leased rolling stock, the cost of new equipments, tracks, depots, lands, and all other necessary betterments, the premiums for insurance, the tolls, taxes and all other expenses which the party of the second part has hereintofore covenanted to pay, the net earnings or revenue of the property covered by this lease shall not be sufficient to pay off and discharge the principal of the mortgage aforesaid and the interest accruing upon bonds issued thereunder from time to time, the International and Great Northern Railroad Company, the said party of the second part, hereby covenants to advance such sums from time to time as may be necessary, and pay such arrearages, and charge the same to the party of the first part.

Third. That the party of the second part shall and will at all times during the hereby demised term, keep the buildings upon the lands hereby demised insured in the usual manner against loss by fire, paying the premiums thereof, as aforesaid, and will keep the said demised railroad, equipments and property in good order and repair, and will, at the expiration of the hereby demised term, or other sooner determination of this lease and contract, yield and deliver up the hereby demised railroad and appurtenances in the same good order and repair that the same are now in, or may be put in during the hereby demised term, casualties, acts of God, and the elements and reasonable wear and tear excepted.

Fourth. That the party of the second part shall keep accurate accounts of all the business, receipts and revenues arising from the said demised railroad and property, and all the expenses of operating the same, and their books relating thereto shall be subject to the examination of the President and Vice-President of the party of the first part, or of any agent duly authorized by them to examine the same: and the party of the second part shall furnish to the party of the first part such reports and accounts as may be required from time to time by the stockholders.

Fifth. That the President, Vice-President and Committees of the Board of Directors, and all duly appointed agents of the party of the first part, shall have the right to travel at all times without charge over the said demised railroad for the purpose of ascertaining as to

the business and management of the said railroad, and reporting thereon to the party of the first part.

Sixth. It is understood and agreed that in case a plan or agreement shall be perfected and entered into for the management and operation of the railroads of the parties hereto, or either of them, with other Southwestern railways under one organization, or company, this lease shall thereupon at the election of the lessee, with the approval of the Missouri, Kansas and Texas Railway Company, and the Missouri Pacific Railway Company, cease and determine.

Seventh. This lease shall become binding on the party of the second part only when it shall have been approved by the Missouri, Kansas and Texas Railway Company, lessee of the party of the second part, and also by the Missouri Pacific Railway Company, lessee of the said The Missouri, Kansas and Texas Railway Company.

Eighth. That if any difference shall arise in relation to this lease and contract of the parties hereto, each of said parties shall select a referee of experience and skill in railway managements, and the said referee shall select another of like experience and skill, and the three so chosen shall hear and decide such difference, and their decision shall be final and conclusive upon the parties hereto.

In witness whereof, the parties hereto have caused their corporate names to be hereunto subscribed by their Presidents, respectively, and their corporate seals to be hereunto affixed, attested by their Secretaries, respectively, this day of 1883.

THE DALLAS AND WICHITA

RAILROAD COMPANY.

The Dallas and Wichita Railroad Company was incorporated by an act of the Legislature of Texas, approved December 2d, 1871. (See Special Laws 12th Legislature, second session, page 241.)

By this act of incorporation said Company was empowered to construct and maintain a railway, commencing at the city of Dallas, Dallas county, Texas, and running thence westwardly to Red River, to or near the mouth of the Wichita river, where it empties into Red River; and also to connect their road, by running westwardly from the said city of Dallas, with any other railroad, chartered by the State of Texas, running to or near the direction of El Paso.

By act of the Legislature, passed May 24, 1873, the said original act of incorporation was amended by an act entitled "An act to be entitled 'An act to amend an act to incorporate the Dallas and Wichita Railroad Company;' and to aid in the construction of said road." (See Special Laws 13th Legislature, page 566.)

The second section of this act amended the second section of the original act, investing said Company with the power to construct and maintain a railway, commencing at the city of Dallas and running thence north-

westwardly to the town of Denton, in Denton county;
* * * * * * * * *
thence, continuing northwestwardly, to any point on the waters of the Red or Canadian rivers, within the territory of the State of Texas, that may be determined upon by said Company.

This last amended act of incorporation was again amended, by an act of said Legislature, approved February 27th, 1875. (See special Laws 14th Legislature, second session, page 44.) By the third section of this act said Company was invested with the right to construct and maintain certain branch railroad lines.

On July 29th, 1876, an act for the relief of the Dallas and Wichita Railroad Company was passed by the Legislature of Texas, by the terms of which the limitation of time required by the charter of the Company and the laws of the State, for the completion of the road, or any particular section thereof, was extended and enlarged for the term of twelve months, in addition to the time fixed in and by said charter and laws, for the completion of the same. (See Special Laws 15th Legislature, p. 5.)

On June 5th, 1877, the Dallas and Wichita Railroad Company issued 250 bonds, of $1000 each, all bearing date June 5th, 1877, with coupons for annual interest attached. These bonds were secured by a deed of trust executed by the Company, which conveyed to Thomas Allen and George Nettleton, trustees, all of the property of the said Dallas and Wichita Railroad Company, including its franchises. This mortgage was foreclosed, and a decree of foreclosure, ordering sale of said property, was made and entered by the Circuit Court of the United States for the Northern District of Texas. Samuel J. Adams was made Special Master to make sale of said property.

On the 5th day of May, 1880, the Special Master made report to the Court, stating that on the first Tuesday of May, 1880, he had sold said railroad, franchises and property, including its land grant, to the highest bidder for cash; that J. L. Leonard became the purchaser of the land grant, paying the sum of $3000, and that John C. Brown, Frank S. Bond and J. G. Graves had purchased the remaining property, it being declared that J. G. Graves had an interest in said property, so bid off, equal to $\frac{62}{250}$ of the whole.

The sale so made by said Adams was subsequently confirmed by the Court.

John C. Brown and Frank S. Bond reorganized the Company, under the charter of the Dallas and Wichita Railroad Company, under the provisions of Art. 4250 of the Revised Statutes of the State of Texas, said articles of reorganization bearing date July 16th, 1880.

At a meeting of the Board of Directors, held on the 27th of September, 1880, acting in pursuance of authority conferred by the stockholders, at a meeting held on the same day, the executive officers of the Company were authorized to issue bonds of the Company, for one thousand dollars each, at the rate of eight thousand dollars per mile, for the forty miles of road between Dallas and Denton, to be secured by a mortgage upon the property and franchises of the Company. The Fidelity Insurance, Trust and Deposit Company, of Philadelphia, was named as the trustee in the mortgage.

At a meeting of the stockholders of the Company, held December 15th, 1881, the Board of Directors of the Company were authorized to issue coupon bonds, not exceeding twenty thousand dollars per mile, for one thousand dollars each, to bear interest at the rate of six per cent. per annum, payable semi-annually; and to se-

cure the payment of said bonds and interest, to execute a first mortgage on the corporate property and franchises of said Railroad Company, declaring that the bonds, when issued, shall be used to pay the debts of the Company, and to purchase equipments and machinery, as well as for construction of the road.

At the meeting, authorizing the execution of the last mentioned mortgage, a resolution was passed as follows: "*Resolved*, That the mortgage heretofore authorized, but "which has never been recorded, be cancelled, and the "bonds heretofore engraved, at the rate of eight thous- "and dollars per mile, being 320 bonds in all, be de- "stroyed."

At a stockholders' meeting, held on the 15th of December, 1881, the Board of Directors of the Dallas and Wichita Railroad Company was authorized to make sale and conveyance of its road and property to the Missouri, Kansas and Texas Railway Company. At this meeting all of the stock of the Company was represented, and the resolution, authorizing the sale and conveyance, was adopted by an unanimous vote.

On the same day a conveyance was made by the Dallas and Wichita Railroad Company, acting by its President and Secretary, to the Missouri, Kansas and Texas Railway Company, in pursuance of said resolution.

The said several acts of incorporation and said deed of conveyance will be found following.

AN ACT

TO INCORPORATE THE DALLAS AND WICHITA RAILROAD COMPANY.

SECTION 1. *Be it enacted by the Legislature of the State of Texas,* That E. W. Cullen, W. J. Clark, J. A. Hawkins, Henry Ervay, Fred. Cullen, J. W. Swindells, George Brainerd, Cicero Cullen, J. W. Haynes, and their successors, be and they are hereby created and constituted a body corporate and politic for ninety-nine years, under the name and style of the Dallas and Wichita Railroad Company, with the capacity in said corporate name to make contracts; to have succession and a common seal; to make by-laws; to sue and be sued; to plead and be impleaded; to grant and receive; to hold and convey property, both real and personal; to receive donations or gifts of lands, money or bonds, and generally to do and perform all such acts and things proper and necessary to be done to carry into effect the ends and objects of this incorporation and the maintenance of the rights accruing under and connected with it, not inconsistent with the laws of this State.

SEC. 2. That said corporation is hereby invested with the rights to locate, construct, own and maintain a railway, commencing at the city of Dallas, in the county of Dallas and State of Texas, and running thence westwardly to Red River, to or near the mouth of the Wichita river, where it empties into Red River; *and provided further*, that said Company shall have the right to connect their road, by running westwardly from said city of Dallas, with any other railroad chartered by the State of Texas, running to or near the direction of El Paso.

SEC. 3. That the capital stock of said Company, consisting of its property, real and personal, franchises and rights to property, shall be divided into shares of one hundred dollars each, every share entitling the owner thereof to one vote by himself or proxy for Directors; said shares shall be deemed personal property, and may be transferred by any conveyance in writing, under such rules as may be prescribed by the Directors; *provided, however*, that all such con

veyances shall be filed for record, and recorded by the Secretary of said Company in a book or books to be kept for that purpose.

SEC. 4. That the immediate government and direction of the affairs of said Company shall be vested in a Board of five Directors, to be selected from the corporators named in the first section of this act, who shall elect one of their number President of said Company. No person shall be eligible to the office of Director unless he be the owner of ten shares of the stock of said Company. The Directors shall be elected biennially by the stockholders of said Company, each being entitled to one vote for every share he or she may own. The first election to take place within ninety days after the passage of this act, in the said city of Dallas; and if a vacancy should occur in said Directory by death, resignation or otherwise, the vacancy or vacancies may be filled by the residue of said Directors for the unexpired term; and, should the stockholders fail to hold an election at any regular period, those in office shall continue officers until an election at a regular period. It shall be the duty of the President and Directors to appoint a Secretary and Treasurer, to prescribe their duties, and require of them bonds for the faithful discharge of the same. They shall keep, or cause to be kept, a record of all their proceedings, and an account of the receipts and expenditures of said Company, which books shall be open at all reasonable hours for the inspection of any person interested in said Company. A majority of the Board of Directors shall have the authority of a full Board, and all conveyances and contracts in writing, executed by the President and countersigned by the Secretary, under the seal of the corporation, and in pursuance to a vote of said Directors, or a majority of them, shall be valid and binding. Said Company shall keep their office at the city of Dallas, in the State aforesaid, and the President of said Company shall report annually the condition of the affairs of said Company to the Directors, who shall publish said report in two or more newspapers published on the line of said railway.

SEC. 5. That the shares may be disposed of, and books opened for subscription thereto, in such manner, and on such terms as the President and Directors shall determine will be best for the interest of said Company, and any agreement in writing by which any person shall become a subscriber to the capital stock of said Company, may be enforced against him or her according to its terms, and if any person fails to pay the amount due by him or her to the said Company for shares in said stock, according to the terms of his or

her subscription, the Directors or their agents may sell at auction, after giving twenty days' notice in writing at the office of said Company, the shares of said delinquent, and if the proceeds of the sale shall not be sufficient to pay the amount then due on said subscription, with interest and charges, said delinquent shall be held liable to the Company for the deficiency due on said call, and if the proceeds should exceed said amount, said delinquent shall be entitled to the surplus.

SEC. 6. That no debts or liabilities contracted, or losses sustained by said Company shall be binding individually upon the stockholders for any sum exceeding the amount of their respective shares.

SEC. 7. That it shall be lawful for the Company to enter upon and purchase, or otherwise take and hold any land necessary for the purpose of establishing and constructing said railway, with all necessary depots and other building, and if said Company shall not be able to obtain said lands by agreement with the owner thereof, they shall pay therefor such compensation as shall be determined upon in the manner provided in the following section; *provided*, that the land so taken for the road-bed shall not exceed two hundred feet in width, and for depots and other buildings such further width as may be necessary for such other purposes.

SEC. 8. That when any lands are taken for the road-bed or depots, the value of the same shall be determined as prescribed by the general railroad law of the State.

SEC. 9. That it shall be the duty of said Company whenever any State or county road, now or hereafter established shall be crossed by the track of said railway, to make and keep in repair good and sufficient causeways at such crossings; and in all cases where any person shall own land on both sides of said railway, and there shall be no other convenient access from one part to the other, such owner shall have the right, at all reasonable times, to cross the track of said railway.

SEC. 10. That said Company may acquire real estate by gift or purchase, and may appoint agents in such manner as it may think fit, with full authority to receive subscriptions of stock and conveyances of land to said Company.

SEC. 11. That said Company shall have the right to demand and receive such rates of prices for transportation of freight and passengers as it may think proper to establish, and not inconsistent with the laws of this State.

SEC. 12. That the capital stock of said Company shall be five millions of dollars.

SEC. 13. That this Company may enter into contracts and form associations with any other road or company owning any road leading to the Mississippi river, El Paso, or the Gulf of Mexico, or any road intersecting the same, so as to make intersections with other railways.

SEC. 14. That said Company shall commence work on said road within twelve months from and after the passage of this act, and shall have the same completed and in good running order within five years thereafter; *provided, further*, that said Company may adopt such gauge of track as they may deem best for the said railway.

SEC. 15. That the property of said railway shall be exempt from taxation until said railway is completed.

SEC. 16. That this act take effect and be in force from and after its passage.

Approved December 2, 1871.

AN ACT

To be entitled an act to amend "An act to incorporate the Dallas and Wichita Railroad Company," and to aid in the construction of said road.

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That the act to incorporate the Dallas and Wichita Railroad Company be and is hereby amended as follows: The first section shall read: SEC. 1. *Be it enacted by the Legislature of the State of Texas*, That J. W. Calder, W. J. Clark, I. B. Calder, Henry S. Ervay, C. Wegefarth, J. W. Swindells, D. Connally, J. W. Haynes, T. C. Jordan and Thos. Field, and their successors, be and they are hereby created and constituted a body corporate and politic, for sixty years from the date of this act, under the name and style of the "Dallas and Wichita Railroad Company;" with the capacity in said corporate name to make contracts; to have succession and a common seal; to make by-laws; to sue and be sued; to plead and be impleaded; to grant and receive; to hold and convey property, both real and personal; to receive donations or gifts of land, money or bonds; and generally to do and perform all such acts and things proper and necessary to be done to carry into effect the ends and objects of this incorporation, and the maintenance of the rights accruing under and connected with it, not inconsistent with the laws of this State; *provided*, nothing in this section shall impair any liability or obligation incurred by the present owners of said charter to the original incorporators in said charter.

SEC. 2. That section second of said act shall hereafter read as follows: "That said corporation is hereby invested with the right to locate, construct, own and maintain a railway and a line of telegraph, commencing at the city of Dallas and State of Texas, and running thence northwestardly to the town of Denton, in Denton county, and shall erect freight and passenger depots within one-half mile of the court house; *provided*, said town shall secure and donate to said Company, free of charge, the right of way through the corporate limits, and all neccessary grounds for tracks, switches, and other depot purposes, not to exceed ten acres; thence continuing northwestardly to any point on the waters of Red or Canadian rivers, within the territory of the State of Texas, that may be determined on by said Company; which said line and terminal point,

however, shall be surveyed, and a map thereof deposited in the General Land Office, on or before the first day of July, 1876, the map of the first hundred miles being so deposited in one year from the date of this act, and the privileges of this charter shall attach and pertain to only so much of said route as may be thus marked, mapped out, and thus returned to the Land Office, in the time aforesaid; *provided, however*, that unless the city or county of Dallas, or the citizens thereof, shall obtain for and present to the said Railroad Company the right of way for said road, two hundred feet wide, for a distance of five miles from its depot grounds in said city, as now located, upon the north side of the Trinity river, and also the right of way, sixty feet wide, through the city of Dallas, from said depot grounds to such point of junction with the Texas and Pacific Railroad, in said city, as may be agreed upon by said railroad companies, within three months from and after the date of the delivery to the mayor of the said city of Dallas, of a plot or map, showing the streets or lots of land through which said right of way is desired, then, upon such failure, said Company shall have the right to connect their road, by running westwardly from said city of Dallas, with any other railroad chartered by the State of Texas, running in said direction to some point on the west side of Trinity, thence to run northwestardly, as aforesaid; *provided*, that where the direct line of said road passes within five miles of the county seat of any county, through which it may be built, said road shall run to said county seat, and said Company shall establish and keep a depot within one-half mile of the business part of said town; *provided*, said town shall furnish to said Company, free of charge, the right of way through said town, and sufficient ground for switches, turnouts, etc., and such buildings as may be necessary and proper for said road, not to exceed fifteen acres in each case; *and provided further*, that said Company shall not be compelled to run said road within one-half mile of any county seat where, from natural obstacles, it is impracticable to do so, but in such case, said road shall run and a depot be established as near said town as such natural obstacles will admit; and should said road be located through any county before the definite location of the county seat thereof, then it shall not be neccessary for said road to run within one-half mile of said town.

Sec. 3. That section four of said act shall hereafter read as follows: That the immediate government and direction of the affairs of said Company shall be vested in a board of not less than five nor more than fifteen directors, who shall elect one of their number presi-

dent of said Company. The present organization of said Company is hereby declared legal and valid. No person shall be eligible to the office of Director unless he be the owner of ten shares of the stock of said Company. The Directors shall be elected annually by the stockholders of said Company, each being entitled to one vote for every share he or she may own; the first election to take place within ninety days after the passage of this act, in the said city of Dallas; and if a vacancy should occur in said Directors by death, resignation, or otherwise, the vacancy or vacancies may be filled by the residue of said Directors for the unexpired term; and should the stockholders fail to hold an election at any regular period, those in office shall continue officers until a meeting can be had, not to exceed thirty days from such failure. It shall be the duty of the President and Directors to appoint a Secretary and Treasurer, to prescribe their duties, and require of them bonds for the faithful discharge of the same. They shall keep, or cause to be kept, a record of all their proceedings, and an account of the receipts and expenditures of said Company, which books shall be open at all reasonable hours for the inspection of any person interested in said Company. A majority of the Board of Directors shall have the authority of a full board, and all conveyances and contracts in writing, executed by the President and countersigned by the Secretary, under the seal of the corporation, and in pursuance of a vote of said Directors, or a majority of them, shall be valid and binding; said Company shall keep their general office at the city of Dallas, in the State of Texas; the Treasurer's office, and an office for the transfer of stock, may be located in any one of the principal cities of the United States; and the President of said Company shall report annually the condition of the affairs of said Company to the Directors, who shall publish said report in two or more newspapers published in the city of Dallas, in the State aforesaid.

Sec. 4. That section fourteen of said act shall hereafter read as follows: That said Company shall have one hundred and twenty-five miles of said railroad completed and in good running order within five years from its commencement, on the twenty-eighth day of November, 1872; *provided*, said Company shall be and is hereby granted sixteen sections of land of six hundred and forty acres each, for each mile constructed in accordance with the provisions of this act. That whenever and as often as said Company shall complete and put in running order a section of ten or more miles of its road, as hereinbefore designated, said Company shall give notice thereof

to the Governor of the State, and it shall be his duty to appoint some skillful engineer, if there be no State Engineer, to examine said completed road and make report thereon, under oath, to the Commissioner of the General Land Office; and it shall be the duty of said Commissioner, if said road is shown to have been constructed in accordance with its charter, and as required by law, to issue to said Company sixteen certificates, for six hundred and forty acres of land, for each and every mile of road so completed. That all land certificates that shall issue to said Company under the provisions of this act shall be located and surveyed in alternate sections; that is to say, said Company shall cause to be surveyed two sections, of six hundred and forty acres each, for each certificate, adjoining, and shall return to the General Land Office the field notes and maps of the same, and the Commissioner of the General Land Office shall thereupon number said sections so surveyed, and shall cause to be issued to said Company, or its assignees, patents to the odd sections, the even sections being reserved to the State for the school fund; *provided*, the State of Texas in no event shall be responsible for a deficiency in the public land upon which to locate such certificates, and such certificates not located because the public land is exhausted shall constitute no claims against the State.

Sec. 5. The said Company shall alienate the lands hereby granted and donated, except so far as may be necessary for the ordinary uses and operating said road, as follows, viz.: one-fourth in eight years, one-fourth in twelve years, one-fourth in sixteen years, and the remaining one-fourth in twenty years from the date of the issuance of the certificates, in such manner that the whole of such land shall pass out of the hands of said Company within twenty years after the date of the certificates; *provided*, that said lands shall not be alienated to any other railroad corporation, except so far as may be necessary for the proper use and conducting of the business of such corporation; and on failure to comply with the provisions of this section, the said Company shall forfeit all right to lands secured by this act, not alienated as herein required. And that said Company shall in all things be subject to the general laws of this State now or hereafter to be in force regulating railroads or railroad companies.

Sec. 6. That said Company shall have no right, power, or authority to lease, sell, rent, or consolidate said road, or any part of it, to or with any converging, parallel, or competing company or road;

and a violation of this provision shall work a forfeiture of this charter, to be judicially ascertained, as other suits at law, in the Courts of this State.

SEC. 7. The State of Texas hereby grants to said Company the right of way, two hundred feet in width, over all lands belonging to the State, and the use of such an amount of said lands as may be actually necessary for sidings, turnouts, depots, station houses, machine shops, wells, reservoirs, water tanks, and all necessary buildings; and also the right to take from all such lands such rock, earth, and other materials as may be needed for the construction and operation of said railroad.

SEC. 8. Said Company shall have the power, and is hereby authorized, to borrow money, and to purchase all necessary property, upon its own credit, for the purpose of constructing its railroad, and may issue bonds and obligations therefor, payable at such times and places, and at such rate of interest, as they may elect, and, to secure payment of said bonds or obligations, may mortgage its railroad, capital stock, corporate franchises, and any or all of its property, real and personal, or any portion thereof, in such manner and form as said Company, through its Directors, shall determine, subject to all rights of the State herein reserved.

SEC. 9. That at least twenty miles of said road from the city of Dallas shall be completed and put in running order by the first day of July, A. D. 1875, or this charter shall be forfeited to all the unfinished part of said road and route. Said Company shall have the right to construct and maintain bridges, wherever its line may cross streams, for and during the period of its construction.

SEC. 10. That the State of Texas hereby reserves, in express terms, the right, according to the laws now in force, or to be hereafter enacted, to regulate by general law the rates of freight and passage on said road, as well as the conduct and management of the conductors, agents and managers of the same, in such manner as may be necessary to secure the rights of passengers, shippers, and other patrons of the road, and to prevent discrimination in favor of or against individuals, towns, or cities along its line.

SEC. 11. That this act shall take effect and be in force from and after its passage.

Passed May 24th, 1873.

AN ACT

To amend "An Act to incorporate the Dallas and Wichita Railroad Company," and to aid in the construction of said road, and approved May 24, 1873.

SECTION 1. *Be it enacted by the Legislature of the State of Texas,* That the Dallas and Wichita Railroad Company be and they are hereby authorized and empowered to construct their road with a three-foot gauge, if in their opinion they deem it expedient, and all the rights, privileges and franchises now vested in the said Company, shall remain and be enjoyed by them should they so adopt, and construct the road with the (3) three-foot gauge.

SEC. 2. That whenever and as often as said Dallas and Wichita Railroad Company shall give notice to the Governor of the State that ten or more miles of its road-bed is completed, it shall be his duty to appoint some skillful engineer, if there be no State engineer, to examine said completed road-bed, and upon his report to the Commissioner of the General Land Office that said road-bed is constructed in a good and substantial manner, as required by law, and upon the payment of the expense of such examination by said Company, the Commissioner of the General Land Office shall issue to said Company four certificates for six hundred and forty acres each, for every mile of completed road-bed, and authorize said Company to proceed at once to survey thirty-two sections, of six hundred and forty acres each, for every mile of road-bed so completed and accepted; to each alternate section of which it will become entitled when said railroad is completed and in running order upon and over said road-bed according to the terms, conditions and provisions of its charter; whenever said Company shall return to the Commissioner of the General Land Office the field notes and maps of the lands so surveyed, they shall be placed on file in the General Land Office, and in the office of the surveyor of the district in which the lands are situated, and thereupon and thereafter, for the period of one year, the said lands shall be withdrawn and reserved from sale, location and pre-emption; and the alternate sections thereof be held and reserved expressly for the location thereon of the land certificates of the said Railroad Company; should said Company fail to locate certificates upon the lands surveyed within the time specified, they shall forfeit all claims to the land not located on, and to the field notes and maps thereof.

SEC. 3. That the Dallas and Wichita Railroad Company is hereby invested with the right to locate, construct, own and maintain a branch railroad and line of telegraph to any city or town, coal, copper, or iron mine situated within the limits of any county through which the main line of said railroad may run, and to extend either of said branches beyond the limits of said counties into, but not beyond, the limits of the county next adjoining, wherever such extension will secure junction and connection with any other railroad and line of telegraph; the said branches shall be considered mere extensions of said Dallas and Wichita Railroad, and shall receive all the benefits and privileges, and be subject to all the provisions, conditions and requirements of the charter of said corporation; *provided*, that no State subsidy shall be claimed nor granted for any part of said branch railroads that may run parallel to and within ten miles of any completed railroad.

SEC. 4. That all laws or parts of laws in conflict with the provisions of this act are hereby repealed. This act shall take effect and be in force from and after its passage.

Approved February 27th, 1875.

AN ACT

For the relief of the Dallas and Wichita Railroad Company.

WHEREAS, Railroad communication with the States has been cut off, and the transportation of freight therefrom entirely suspended for several weeks past, on account of the destruction of bridges and road-bed by floods, making it impossible for the Dallas and Wichita Railroad Company to secure the transportation of their iron from Saint Louis, Mo., to Dallas, Texas, in time to meet the requirements of their charter and the laws of the State; and,

WHEREAS, The construction of the Dallas and Wichita Railroad would benefit the entire State by encouraging the settlement of the Northwestern portion of the State, and by greatly increasing the value of the school lands therein located, and by greatly increasing the wealth and taxable property of the State, by insuring the development of the mineral region through which it is located; therefore,

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That the limitation of time required by the charter of the Dallas and Wichita Railroad Company and the laws of the State for the completion of any works of internal improvements or particular sections thereof, be and the same is hereby extended and enlarged for the term of twelve months in addition to the time, from, in and by said charter and laws for the completion of the same.

SEC. 2. That in consequence of the facts set forth in the preamble, and the fact that the charter of said Company will become forfeited upon the adjournment of the present session of the Legislature, unless relief be granted, an imperative public necessity and an emergency exists, requiring that this act take effect immediately; therefore, this act shall take effect and be in force from and after its passage; *provided*, that said Company shall file with the Secretary of State, a full and complete acceptance of the conditions imposed upon railroad corporations by the Constitution, within ninety days after the adjournment of this Legislature, and in case of failure to comply, this act shall be null, void and of no effect; *provided further*, that said Company shall not be entitled to the relief sought in this act, unless said Company shall file with the Secretary of State, within ninety days from the passage of this act, their relinquishment of all over sixteen sections of land to the mile of said road.

Approved July 29, 1876.

Takes effect from its passage.

DALLAS AND WICHITA RAILROAD COMPANY

TO

MISSOURI, KANSAS AND TEXAS RAILROAD COMPANY.

INDENTURE AND CONTRACT.

THIS INDENTURE AND CONTRACT, made on the fifteenth day of December, in the year of our Lord one thousand eight hundred and eighty-one, by and between the DALLAS AND WICHITA RAILROAD COMPANY, a corporation created by and under the laws of the State of Texas, party of the first part, and the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, a corporation created and existing under the laws of the State of Kansas, and having and owning certain franchises under the laws of Texas, party of the second part,

WITNESSETH:

That the said party of the first part, for and in consideration of the sum of one hundred dollars, lawful money of the United States, to it in hand paid at or before ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and for other and further lawful considerations, hath merged itself into the party of the second part under its own proper and corporate name of the Missouri, Kansas and Texas Railway Company, on the terms and conditions herein and hereby agreed upon, by granting, bargaining, selling, aliening, remising, assigning, transferring, conveying and confirming unto the party of the second part, its successors or assigns, all the franchises, corporate rights and privileges of the said party of the first part, together with all its track, road-bed, buildings, rolling stock, engines, tools, bonds, stocks, grants, privileges, property, real

and personal, and every right, title and interest in or to any franchise or property, real or personal, and all rights of every name and kind which the party of the first part possesses, or in which the party of the first part has any right, privilege or interest, situated and being in the State of Texas or elsewhere, the object and intent of this contract, conveyance and agreement being to so merge the rights, powers and privileges of the first part into the party of the second part, as that the party of the second part, under its own charter, corporate name and organization, shall, without impairing any existing rights, exercise in addition thereto all the powers, rights, privileges and franchises, and own and control all the properties that the party of the first part now exercises or owns, or by its charter, or the laws, it has the right to exercise, own or control;

Provided, however, That the franchises of the party of the first part, to be and remain a corporation until such time as may be hereafter agreed upon for its dissolution, shall not be impaired or infringed upon by anything contained in this contract;

And provided also, that nothing in this contract contained is intended to, or shall impair any legally existing contract by mortgage or otherwise, of the party of the first part; a further consideration for this indenture, contract and conveyance, is that the said party of the second part takes the premises and property aforesaid, subject to any existing mortgages, and is to perform and fulfill all the charter obligations of the party of the first part to the State of Texas and the public; and the further consideration is that the said party of the second part sells and delivers to Jay Gould, as Trustee, for the party of the first part, twenty thousand dollars ($20,000) in the general consolidated mortgage bonds of the Missouri, Kansas and Texas Railway Company, for each mile of the completed road of the party of the first part, between Dallas and Denton, which bonds are to be delivered to the stockholders of the party of the first part, on the delivery of the certificates of stock of the party of the first part, duly assigned to H. B. Henson, as Trustee for the party of the second part, which stock of the party of the first part shall not be cancelled, but shall be held by the said Henson, as Trustee for the party of the second part hereto, for the purpose of preserving to the party of the second part hereto all the rights pertaining thereto, until otherwise provided by authorized corporate action; the corporate existence of the party of the first part be maintained and its powers to carry out all existing contracts remains unimpaired. This

conveyance is duly authorized by the corporate action of the party of the first part.

In witness whereof, the said party of the first part has caused these presents to be executed by its President and attested by its corporate seal, this fifteenth day of December, A. D. 1881.

JOHN C. BROWN,
President Dallas and Wichita Railroad Company.

Attest:

J. M. MCCORMICH,
[L. S.] Secretary Dallas and Wichita Railroad Company.

STATE OF MISSOURI, }
City of St. Louis. } ss.

I, Charles D. Greene, Jr., a commissioner for Texas at St. Louis, Missouri, certify that on this nineteenth day of December, A. D. 1881, before me personally came John C. Brown, President of the Dallas and Wichita Railroad Company, personally known to me to be such President, and to be the person who has executed the foregoing conveyance as such President, and acknowledged to me that he executed the same as the act and deed of the Dallas and Wichita Railroad Company, for the considerations, uses and purposes therein mentioned.

In witness whereof, I have hereunto set my hand and official seal, this nineteenth day of December, A. D. 1881.

C. D. GREENE, JR.,
[L. S.] Commissioner for Texas at St. Louis, Missouri.

THE STATE OF TEXAS, }
Denton County. }

I, J. R. McCormick, County Clerk of the county and State aforesaid, hereby certify that the foregoing instrument was filed for record in my office February 2, 1882, and duly recorded same day and date at 3 o'clock p. m., in Deed Record Book "R," pages 354, 355 and 356.

In testimony whereof, I hereunto set my hand and official seal the 2nd day of February, A. D. 1882.

J. R. MCCORMICK,
County Clerk.
By R. W. TERRILL,
Deputy.

Filed for record February 2nd, 1882, at 11 o'clock a. m.
Recorded February 2nd, 1882, Denton county, Texas.

J. R. McCORMICK,
County Clerk.

Filed for record in Dallas county, February 4th, 1882, at 1:30 o'clock p. m.
Recorded February 7th, 1882.

A. HARWOOD,
County Clerk.
By C. F. BOLANZ,
Deputy.

THE STATE OF TEXAS, }
County of Dallas. }

I, S. B. Scott, Clerk of the County Court of Dallas county, Texas, certify that the foregoing is a true copy of the indenture and contract made by the Dallas and Wichita Railroad Company to the Missouri, Kansas and Texas Railroad Company, as the same appears on record in Book No. 54, page 566, of the Deed Records of Dallas county, Texas.

Witness my hand and seal of office, this 13th day of September, 1889.

S. B. SCOTT,
County Clerk of Dallas County, Texas.
By J. E. TURNER,
Deputy.

EAST LINE AND RED RIVER

RAILROAD COMPANY.

The East Line and Red River Railroad Company was chartered, by the Legislature of the State of Texas, March 22d, 1871, by an act entitled "An act to organize and incorporate the East Line and Red River Railroad Company," approved March 22d, 1871. (See Special Laws, 12th Legislature, first session, page 50.)

The original act of incorporation was three times amended: first, by "An act amendatory to and supplementary of an act entitled 'An act to organize and incorporate the East Line and Red River Railroad Company,' approved March 22d, 1871, and to aid in the construction of said railroad," passed May 17th, 1873, (see Special Laws, 13th Legislature, page 433); second, by an act entitled "An act to amend an act entitled 'An act to organize and incorporate the East Line and Red River Railroad Company,' approved March 22d, 1871," passed May 17th, 1873, (see Special Laws, 13th Legislature, page 477); third, by an act entitled "An act amendatory of and supplementary to 'An act to organize and incorporate the East Line and Red River Railroad Company,' approved March 22d, 1871, and of the acts passed thereafter in relation to said Company," approved March 6th, 1875, (see Special Laws, 14th Legislature, page 57).

Under these several acts there was built and constructed the line of railroad from the city of Jefferson, passing through the counties of Marion, Cass, Morris, Titus, Camp, Wood, Hopkins, Hunt, to McKinney, in Collin county, a distance of 153.4 miles.

By indenture and contract, made on the 28th of November, 1881, the East Line and Red River Railroad Company granted and conveyed to the Missouri, Kansas and Texas Railway Company its franchises, corporate rights and privileges, together with its road-bed, rolling stock and all property. This contract and conveyance was made and executed in pursuance of a resolution passed at a meeting of the stockholders, held on the 28th of November, 1881.

On the 13th of August, 1877, at a meeting of the stockholders of the East Line and Red River Railroad Company, a resolution was passed authorizing the issue of a series of bonds, payable September 1st, 1897, at the rate of five thousand dollars per mile of constructed road, not to exceed in the aggregate one million of dollars; and to secure this series of bonds, a mortgage was executed by said Railroad Company to the Union Trust Company of New York. Under this mortgage two hundred and twenty-five bonds, of one thousand dollars each, were issued. These bonds were afterwards cancelled, and on the 6th day of June, 1880, the Union Trust Company of New York executed its release in satisfaction of said mortgage, which was recorded in Marion county Record of Deeds, Book O, pages 45 to 47.

At a meeting of the stockholders of said Company, held on the 10th day of May, 1880, a resolution was passed authorizing the issuance of a series of bonds, payable on the first day of June, 1910, bearing interest at the rate of six per cent. per annum, issued at the rate

of seven thousand dollars per mile, on the road constructed and to be constructed, not to exceed, however, the aggregate amount of one million four hundred thousand dollars.

To secure the payment of said series of bonds, the executive officers of the Company were authorized to make and execute to the Fidelity Insurance, Trust and Safe Deposit Company, a mortgage conveying its corporate franchises and property.

In pursuance of this resolution, the said mortgage was executed, and bears date June 1st, 1880.

AN ACT

TO ORGANIZE AND INCORPORATE THE EAST LINE AND RED RIVER RAILROAD COMPANY.

SECTION 1. *Be it enacted by the Legislature of the State of Texas,* That Alexander Caldwell, Lem T. Smith, T. A. Osborne, T. B. Mills, W. W. H. Lawrence, of Kansas, R. R. Dawes, and W. P. Cutler, of Ohio, P. M. Graham, W. C. Batte, H. J. Avinger, E. W. Taylor, W. P. Williams, S. B. Allen, Wm. A. Evans, Z. G. Mathews, Alexander Cameron, Samuel F. Mosely, George W. Newcome, James P. Dumas, J. C. D. Blackburn, Anthony Bryant, Richard D. King, James Davidson, James M. Lindsay, J. L. Kennedy, W. T. Blythe, F. M. Rogers, Joshua F. Johnson, J. M. Urquhart and W. Thompson, of Texas, D. H. Zachery and T. J. Campbell, of Texas, and their associates and successors be, and they are hereby constituted a body corporate and politic, by the name and style of the "East Line and Red River Railroad Company," and by said name shall have succession and a common seal, with capacity to make contracts, and in its said corporate name to sue and be sued, to make by-laws for its general government and management, and generally to do and perform all such acts and things as may be necessary and proper for or incidental to the fulfillment of its obligations, or the maintenance of its rights under this act, consistent with the Constitution of this State and of the United States; and the said above named corporators, or a majority of them, shall meet in the city of Jefferson, Texas, within ninety days from the passage of this act, and elect such officers as may by them seem best to further the objects of the incorporation, and shall forthwith thereafter open books for the subscription of stock in the counties along the line of said contemplated road, which said books for subscription shall remain open for the subscription of stock for a period of not less than two weeks.

SEC. 2. Said Company is hereby authorized to construct, own and maintain and to equip and operate a continuous line of railway, with either a single or double track, of such gauge as said Company

may deem best, as well as a telegraph line, from the city of Jefferson, in Marion county, Texas, to the city of Sherman, in Grayson county, at which point a depot shall be established; thence in a westerly or northwesterly direction to the western limits of the State of Texas. Said road shall be constructed on the most practicable and expedient route via Mount Pleasant, in Titus county, and Sulphur Springs, in Hopkins county, and Kentucky Town, in Grayson county, and depots be established therein.

SEC. 3. That to effect the objects of this corporation, the said Company shall have the right, in their corporate name, to purchase, own, use and sell lands or other property, real and personal, and to accept donations of lands or any other species of property whatsoever, or to receive the same in payment for subscriptions of stock, and to issue stock therefor, as the contracting parties may agree upon, to use such weight of iron per lineal yard as may be deemed best; to fix the capital stock of said Company at ten millions of dollars, but may, upon a two-thirds vote of stockholders, increase the same to fifteen millions of dollars, which shall consist of shares of one hundred dollars each, transferable as the by-laws of said Company may direct. In the election of officers, each share shall entitle the owner thereof to one vote, which may be given by himself or by proxy, authorized by a written instrument. The Board of Directors shall have the right and power to require payment of stock subscribed in such installments, and at such times and places as the by-laws of the Company may provide; and shall be required at each meeting to report all action taken and proceedings held by them during the previous year.

SEC. 4. The persons named in the first section of this act, or a majority of them, shall meet in the city of Jefferson, Texas, within ninety days after the passage of this act, and temporarily organize the Company hereby incorporated, by electing a President, Vice President, from the incorporators of this act, and a Secretary and Treasurer, who shall be required to report at each annual meeting; and a Board of Directors, which said Board of Directors shall consist of not less than seven nor more than nine persons. The President shall be *ex officio* a member of the Board of Directors. The President shall have the power to appoint or discharge the engineer, subject to and by and with the consent of the Executive Committee. The said officers elected as aforesaid, shall continue in office for the period of not more than six months, within which time they shall

permanently organize by calling together the stockholders in said Company and holding an election for a like number of Directors, as is named for the temporary organization. The said election may be called by the President, or on his failure to do so, by any three Directors. The Directors shall have the power to appoint an Executive Committee, and confer on it such powers as they may deem necessary, and such other officers and agents of the Company as may be deemed necessary, or may authorize the President to do the same.

SEC. 5. *Be it further enacted*, That the right of way through the public lands of the State along the line of said road, be and the same is hereby granted to said Company, and the authority is hereby conferred on said Company to take from the public lands adjacent to said road, stone, earth, timber and other material for the construction thereof; and the right of way is hereby granted to said Company to the extent of two hundred feet in width where it passes over public lands, including all lands necessary for stations, workshops, switches, side tracks, turn-tables and water stations at any point along said main line, and when the same shall pass through the lands of private persons, the right of way is hereby secured in accordance with the general laws of the State now in force. Said Company is authorized, and the right is hereby granted them, to cross or connect with any other railway, to join stocks, or consolidate with any other railway company running in the same general direction.

SEC. 6. That the capital stock and other property of said Company shall be exempt from the payment of all taxes within this State, of whatever nature, including State, county and corporation, for a period of five years after the passage of this act.

SEC. 7. The said Company may locate its principal office at any point along the line of said road, as to them may be deemed best, but this shall not prevent the establishment of a branch office at such other points said Company may deem best for the transaction of its business. All suits by the Company may be prosecuted by the President, Vice President or Secretary of the Company, and suits may be maintained against said Company by service of process being had on the President thereof; and in case of his absence from the State, service of process may be had on the Vice President or Secretary of the same, and shall be prosecuted in the county where their principal office is established.

SEC. 8. The said Company shall have completed and in running

order at least twenty miles of their said road, commencing at the city of Jefferson, in eighteen months after the permanent organization thereof, and complete said main trunk to Sherman within four years thereafter, and the western division shall be completed in ten years thereafter; and in default thereof shall forfeit all the franchises hereby granted, except as to the part in running order.

SEC. 9. *Provided*, that should war, epidemic, revolution or internal strife ensue so as to hinder or delay the construction of said road thereby, the time the Company may be thus hindered or delayed shall be excepted out of the limitation named in a previous section of this act.

SEC. 10. That this act take effect and be in force from and after its passage.

Approved March 22, 1871.

AN ACT

Amendatory to and supplementary of an act entitled "An act to organize and incorporate the East Line and Red River Railroad Company," approved March 22d, 1871, and to aid in the construction of said railroad.

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That section two (2) of an act entitled "An act to organize and incorporate the East Line and Red River Railroad Company," approved March 22d, 1871, be and the same is hereby amended so as hereafter to read as follows, viz.: Said Company is hereby authorized to construct, own and maintain a line of railway, with either a single or double track, of the gauge of four feet and eight and one-half inches, as well as a telegraph line, from the city of Jefferson, in Marion county, to the town of Greenville, in Hunt county, *via* Mt. Pleasant, in Titus county, and Sulphur Springs, in Hopkins county; thence, in a westerly or northwesterly direction, to the western limits of the State; and shall establish freight and passenger depots within one-half mile of the principal business portions of each of said cities and towns; *provided*, the said towns and cities to or through which said railroad is required to pass, shall cause the right of way to be granted to said Company free of cost to the same, and shall donate to the said Company the necessary and suitable grounds for said depots, switches, sidings and turnouts, as may be required for said purposes, not to exceed thirteen acres; *and provided further*, if the said route of said road shall run within five miles of any county site other than those herein named, then said road shall be constructed through such county site; *provided*, said county site shall cause to be granted the right of way, free from any cost to said Company, from the point of divergence towards such county site to the point at which it shall regain its main route, and donate grounds for depots, etc., as above provided in the towns herein named; *provided further*, that nothing in this act shall be so construed as to require the people of Hopkins county to pay the money subsidy heretofore voted to the said East Line and Red River Railroad by the people of said county.

SEC. 2. That section eight (8) of the above recited act is hereby

so amended as to hereafter read as follows, viz.: That said Company shall have completed and put in running order at least twenty miles of its said road within eighteen months from the passage of this act, and shall complete the main trunk of said road between Jefferson and Greenville, in four years from said date, and shall complete the western division in five years thereafter; *provided*, that work on said road may be commenced and prosecuted from any one or more points at the same time.

SEC. 3. That the State reserves the right to regulate, by general law, the rates to be charged for freight and passengers, as well as the management and control of said railroad, its officers and employes; *provided*, the same is done in such manner as not to discriminate against said road in favor of competing lines of railroads in this State.

SEC. 4. That, as supplementary to said act, *it is further enacted*, that the said charter shall remain in force for the period of sixty years from the date of the completion of said railroad; and the said Company shall be entitled to receive sixteen sections of land, containing six hundred and forty acres each, for each and every mile of railroad completed; and whenever the Governor shall be informed that a section of ten miles of said road shall have been completed, he shall at once appoint some competent person to inspect the same. The person so appointed to inspect the same shall, without delay, make an examination of said railroad, and report whether or not the said ten miles thereof has been completed in accordance with the terms of its charter; and if said report shall be in the affirmative, the Governor shall immediately notify the Commissioner of the General Land office, whose duty it shall be to immediately issue and deliver to said Company sixteen certificates for land, of six hundred and forty acres each, for each and every mile of road completed, and so on for every additional ten miles thereof as the same may be completed, which said certificates may be located, surveyed and patented, according to the general railroad law, on the principle of alternate sections; *provided*, that each section of ten miles shall be inspected in like manner as provided in this section for the first ten miles; *provided further*, that said Company shall not have the right to rent, sell, lease, or consolidate with any parallel or competing railroad in this State; *provided further*, that the State shall in no wise be liable for any deficiency in vacant public domain.

SEC. 5. That the lands acquired by said Railroad Company un-

der this act shall by it be alienated as follows: one-fourth part thereof in eight years; one-fourth part thereof in twelve years; one-fourth part thereof in sixteen years; one-fourth part thereof in twenty years, after the passage of this act, or within said periods; and the same shall not be sold or conveyed by said Company to any railroad or or other incorporated company, except so far as may be necessary for its proper uses and the conducting its business; nor to any person, or firm, or company, in trust for said Railroad Company; or to any firm or company of which any officer or stockholder of said Railroad Company is a member; and a failure to comply with, or a violation of the provisions of this section shall work a forfeiture of all the benefits of this act.

SEC. 6. That this act be in force from and after its passage.

Passed May 17th, 1873.

AN ACT

To amend an act entitled "An act to organize and incorporate the East Line and Red River Railroad Company," approved March 22d, 1871.

SECTION 1. *Be it enacted by the Legislature of the State of Texas*, That section eight (8) of an act entitled "An act to organize and incorporate the East Line and Red River Railroad Company," approved March 22d, 1871, be and the same is hereby amended so as hereafter to read as follows, viz.: SEC. 8. That said Company shall have completed and put in running order twenty miles of their said railroad within eighteen months, and complete the main trunk thereof from the city of Jefferson to the town of Gainesville, in Cooke county, *via* Whitesboro, in Grayson county, in four years from the passage of this act; and establish and maintain depots within the corporate limits of said towns of Gainesville and Whitesboro; and the western division shall be completed in five years thereafter; and in default thereof shall forfeit all the franchises hereby granted, except as to the part thereof which may be completed.

SEC. 2. That this act take effect and be in force from and after its passage.

Approved May 17th, 1873.

AN ACT

Amendatory of and supplementary to "An Act to organize and incorporate the East Line and Red River Railroad Company," approved March 22, 1871, and of the acts passed thereafter in relation to said Company.

SECTION 1. *Be it enacted by the Legislature of the State of Texas,* That the East Line and Red River Railroad Company is hereby authorized to construct, own and maintain a line of railway, with either a single or double track of such gauge as said Company may adopt, not less than three feet, as well as a telegraph line from the city of Jefferson, in the county of Marion, to the town of Greenvile, in Hunt county, via the points named in the original charter, thence in a westerly or northwesterly direction to the western limits of the State; and that the time allowed by law for the construction of said line of railway and any section or part thereof, is hereby extended and enlarged for the period of one year in addition to the time now prescribed by law; *provided,* that the citizens of the county of Titus, be and they are hereby forever released from all obligations to pay to said Company a subsidy of two hundred thousand dollars, or any part thereof, which was voted to said Company, by the citizens of said county of Titus, in the month of July, 1872; *provided, further,* that said Company may, if it is deemed best for the interest of the Company, construct their road upon the most practicable route, between Jefferson and Sulphur Springs, in Hopkins county.

SEC. 2. That the Board of Directors of said Company is hereby authorized, upon a vote of two-thirds of the stock of said Company, (each share being entitled to one vote), to mortgage said railroad, its lands, revenues and franchises, jointly or separately, to raise money to construct or maintain the same, upon such terms and conditions as said Company may deem best; and to issue bonds thereon, secured by such mortgage; and to do and perform any and all such acts and things as an individual might lawfully do, to forward and promote the construction and maintenance of the said road.

SEC. 3. That all such parts of the said act of incorporation of the said Company, and the acts amendatory of and supplementary to the same, as may be inconsistent with this act, are hereby repealed; and that this act be in force from and after its passage.

Approved March 6th, 1875.

UNION TRUST COMPANY OF NEW YORK

TO

EAST LINE AND RED RIVER RAILROAD COMPANY.

RELEASE OF MORTGAGE.

STATE OF NEW YORK,
City and County of New York. }

The Union Trust Company of New York, trustee, doth hereby certify that certain mortgage bearing date the first day of September, one thousand eight hundred and seventy-seven, made and executed by the East Line and Red River Railroad Company to the said The Union Trust Company of New York, trustee, to secure the payment of certain bonds of said Railroad Company in the aggregate amount of one million of dollars, of which there have been executed and now cancelled by the Trustee $225,000, and recorded in the office of the clerks of the following named counties, viz: Marion, October 18, 1877, in Register Record Book of Trust Deeds, etc., "D," on pages 559 to 574, both inclusive; Morris, November 16, 1877, in Mortgage Record, Book "A," on pages 424 to 441, both inclusive; Camp, November 30, 1877, in Register of Mortgages, Book "A," pages 222 to 238, inclusive; Cass, December 18, 1877, in Record Book of Mortgages "A," on pages 380 to 392; Titus, February 15, 1878, in Record Book "Y," on pages 445 to 468, inclusive; Hopkins, May 11, 1877, in Record of Mortgages, Book "B," on pages 620 to 636, inclusive; Wood, May 18, 1878, in Book "L," Record of Deeds, Mortgages, etc., on pages 274 to 289, inclusive, is fully paid, satisfied and cancelled, and the said The Union Trust Company of New York, Trustee, doth hereby consent that the same be discharged of record.

In witness whereof, the said The Union Trust Company of New

York, Trustee, hath hereunto caused its corporate seal to be affixed and these presents to be subscribed by its President this twenty-sixth day of June, A. D. one thousand eight hundred and eighty.

UNION TRUST COMPANY OF NEW YORK,
Trustee,

[L. S.] By EDW. KING, President.

In presence of

The word "trustee" on the first and seventh lines of the first page, and on first line of second page, and the words "of which there have been executed and now cancelled by the Trustee $225,000," being interlined over a caret before execution.

DAN SEYMOUR.

STATE OF NEW YORK,
City and County of New York. }

On the twenty-sixth day of June, A. D. one thousand eight hundred and eighty, before me, Daniel Seymour, a Notary Public in and for the city and county of New York, dwelling in said city, and duly commissioned and sworn, personally came The Union Trust Company of New York, Trustee, by its President, Edward King, personally known to me to be the person whose name is subscribed to the foregoing instrument as President of the Union Trust Company of New York, and known to me to be the President of said Trust Company, and who acknowleged to me that he executed the same for the purposes and considerations therein expressed.

Given under my hand and seal of office this twenty-sixth day of June, A. D. 1880.

DANIEL SEYMOUR,
L. S. Notary Public New York City and County.

Filed for record July 6th, A. D. 1880, at 3 o'clock p. m.
Recorded July 7th, 1880, at 9 o'clock a. m.

P. F. BRINCK,
C. C. C. M. D.

THE STATE OF TEXAS, }
County of Marion. }

I, W. F. Jones, Clerk of the County Court in and for Marion county, Texas, do hereby certify that the above and foregoing instrument is a true and correct copy as appears of record in my office, in Record of Deeds, Book "O," pages 45 to 47.

Given under my hand and seal of office, at Jefferson, Texas, this 8th day of October, A. D. 1889.

W. F. JONES,

[L. S.] Clerk County Court Marion County, Texas.

EAST LINE AND RED RIVER RAILROAD COMPANY

TO

The Fidelity Insurance, Trust and Safe Deposit Company.

FIRST MORTGAGE.

June 1, 1880.

THIS INDENTURE, made the first day of June, Anno Domini, one thousand eight hundred and eighty, by and between the East Line and Red River Railroad Company, a company created by and existing under the laws of the State of Texas, party of the first part, and The Fidelity Insurance, Trust and Safe Deposit Company, of the city of Philadelphia, State of Pennsylvania, Trustee as hereinafter mentioned and described, party of the second part;

Witnesseth:

Whereas, The East Line and Red River Railroad Company is by its charter duly authorized to construct, own, and maintain a railway from the city of Jefferson, in the county of Marion, State of Texas, to the town of Greenville, in Hunt county, Texas, and thence westwardly or northwestwardly to the western limits of the State of Texas; and,

Whereas, The said East Line and Red River Railroad Company has already completed, in accordance with the requirements of its charter and the laws of Texas, that portion of its line of railway which extends from the city of Jefferson, the initial point of said railway, to Sulphur Springs, the county site of Hopkins county, a distance of ninety-three miles, and designs immediately to construct, complete, equip, and stock, ready for use, the line to Decatur, Wise county, or to some other point which may, in the discretion of its

directors, be legally selected, which shall be in all not exceeding a distance of two hundred (200) miles from the city of Jefferson, and for this purpose is fully empowered by law to issue bonds, and the same to make secure and protect by a mortgage or deed in trust, covering the whole or any part of its line of railway, with its appurtenances, and all and every part of its estates and property, with its corporate rights, privileges, liberties and franchises;

And Whereas, The stockholders of said Company, duly convened, did, on the tenth day of May, one thousand eight hundred and eighty, by a vote of more than two-thirds of their number, adopt the following resolutions, to-wit:

Resolved, By the stockholders of the East Line and Red River Railroad Company, assembled in their corporate capacity, at the office of their Company, in the city of Jefferson, State of Texas, in obedience to and in compliance with the notice of the President, given according to the by-laws of the same, and according to the laws of Texas in that behalf provided, more than two-thirds thereof concurring herein, that the Directors of said Company be authorized, requested and directed to mortgage, or to execute a deed of trust upon the said railway already constructed from Jefferson to Sulphur Springs, and that may hereafter be constructed for a distance not exceeding two hundred miles from the said city of Jefferson, in Marion county, Texas, together with all the depots, depot grounds, locomotives, and rolling stock of every description now owned by said Company, or that it may hereafter acquire, and appurtenances, and land scrip, and lands, as may be acquired from the State of Texas, together with its corporate rights, liberties, and franchises, and income, and to issue upon the same coupon bonds, payable in the gold coin of the United States of America, on the first day of June, 1910, in the City of New York, and the interest payable semi-annually in the City of New York, in the gold coin of the United States, and to bear interest at the rate of six per cent. per annum, payable upon the first days of June and December of each year. But the said mortgage or deed of trust shall not be for an amount of said bonds exceeding seven thousand ($7,000) dollars per mile; and none shall be authorized to be issued except upon a completed railway, and only upon sections of not less than ten (10) miles. The first section that bonds are hereby authorized to be issued upon is the ninety-three (93) miles now completed from the city of Jefferson to Sulphur Springs, the county site of Hopkins county, in the State of Texas,

which bonds are immediately to be executed and delivered, and thence afterwards, as the said railroad shall be constructed in sections of not less than ten (10) miles in length, on westwardly through such counties as the Board of Directors in their discretion may determine to construct the same, according to the provisions of its charter, until it reaches Decatur in Wise county, or such other point as the Directors may legally select; not, however, to exceed in all from Jefferson, the initial point of said railway, a distance of two hundred (200) miles, so as to make the aggregate amount of bonds, authorized and intended to be authorized, to be issued by this resolution, in all, one million four hundred thousand ($1,400,000) dollars, and no more, and only *pro rata* as the actual construction and completion of the road progresses, in sections of not less than ten (10) miles in length. Said bonds shall be of the denomination of one thousand ($1,000) dollars each, and numbered consecutively from one (1) to one thousand four hundred (1,400) inclusive; and the mortgage or deed in trust and bonds shall all be dated the first day June, 1880; and the principal of said bonds shall be payable on the first day of June, 1910, and the interest semi-annually, and the said mortgage or deed in trust may pledge two (2) per centum of the whole amount of bonds issued, to be provided and set aside as a sinking fund to purchase and retire the bonds hereby anthorized to be issued, to commence on and after the first day of September, 1885, in such manner as may be stipulated in said mortgage or deed in trust; and the Board of Directors of the said East Line and Red River Railroad Company are hereby authorized to have the said mortgage or deed in trust, and the bonds authorized to be issued in pursuance of the same, and of this resolution, executed and delivered to such persons and in such form, and with stipulations, guarantees, limitations, restrictions, and conditions as they may deem proper, necessary, expedient, and appropriate to carry out the object and intent of this resolution. And the Secretary of this meeting is directed to record this resolution upon the minute book of this Company, and to furnish a copy of the same to the Board of Directors of the East Line and Red River Railroad Company.

Resolved, That said bonds and mortgages be in the form, or substantially in the form, submitted by counsel at the present meeting of the stockholders of this Company.

Resolved, That the provisions of these resolutions be carried out by the Board of Directors of this Company.

And Whereas, By an amendment to the charter of said Company, approved March 6, 1875, section 2 thereof, it is provided, as follows:

Section 2. That the Board of Directors of said Company is hereby authorized, upon a vote of two-thirds of the stock of said Company (each share being entitled to one vote), to mortgage said railroad, its lands, revenues, and franchises, jointly or separately, to raise money to construct or maintain the same, upon such terms and conditions as said Company may deem best; and to issue bonds thereon secured by such mortgage; and to do and perform any and all such acts and things as an individual might lawfully do to forward and promote the construction and maintenance of the said road.

And Whereas, The Board of Directors of said Company, pursuant to the foregoing resolutions and the legal authority vested in them, have authorized and directed the execution, issuance and uses of said bonds and coupons as provided, and in the form as follows:

UNITED STATES OF AMERICA,

State of Texas.

First Mortgage Six Per Cent. Gold Bond.

$1,000 $1,000

The East Line and Red River Railroad Company, for value received, acknowledges itself to be indebted, and promises to pay to W. B. Ward, of the city of Jefferson, State of Texas, or bearer, the sum of one thousand dollars in United States gold coin, at the office of its agency in the City of New York, on the first day of June, 1910, with interest thereon at the rate of six per centum per annum, payable semi-annually at the place aforesaid, in like gold coin, on the first days of June and December in each year, as specified in and on presentation of the annexed coupons therefor, until the said principal sum shall be paid as specified. In case of the non-payment of any semi-annual installment of interest for a period of six months after the same shall have become due, the principal hereof shall become due, as provided in the mortgage hereinafter mentioned. This bond is one of a series of one thousand four hundred bonds of like tenor and date, numbered consecutively from one to fourteen hundred inclusive, agregating 1,400,000 dollars, issued, or which may be issued as the construction of the railway shall progress, but which shall be issued only upon the basis of seven thousand dollars per

mile of completed railway, and no more, and is authorized by a resolution of the stockholders of said Company, adopted at a meeting held by them in their corporate capacity according to its character and the law, and is and shall be secured by a first mortgage of even date herewith, in like manner authorized, duly executed, and delivered by the said Company to the Fidelity Insurance, Trust and Safe Deposit Company, of the city of Philadelphia, State of Pennsylvania, Trustee, conveying to it the railway constructed from Jefferson to Sulphur Springs, and to be constructed from thence to Decatur, Wise county, Texas, or to such other place as the Directors may hereafter legally direct, not exceeding, however, in all, two hundred miles from the city of Jefferson, together with all the depots, depot grounds, locomotives, rolling stock, income and all appurtenances, and its corporate rights and franchises, together with such land scrip and land as may be acquired from the State of Texas. The payment of this bond is further secured by a sinking fund, provided for in said mortgage, of not less than two per centum per annum of the whole amount of bonds then issued, to commence in its operation on and after the first day of September, A. D. 1885, and which is pledged for the purpose of providing a fund for purchasing, extinguishing, and retiring these bonds. This bond shall pass by delivery, but shall not become binding and obligatory until the certificate hereon is signed by the Trustee heretofore mentioned; and before the said certificate shall be signed, it is expressly stipulated and agreed that this Company shall file with the said Trustee a duly authenticated copy of the report of the State Engineer, or of the person appointed by the authority of the State of Texas to inspect and pass thereon, showing the number of miles of road hereafter completed; but the bonds for the ninety-three miles now completed shall be certified and delivered to said Company by the Trustee, according to the provisions of the mortgage.

In witness whereof, the East Line and Red River Railroad Company, under and by virtue of the laws of the State of Texas, and in accordance with its chartered rights, has caused this bond to be signed by its President and Secretary, and its corporate seal to be affixed hereto, in the city of Jefferson, State of Texas, this first day of June, A. D. 1880.

[L. S.] ——— ———, President.

——— ———, Secretary.

$30. COUPON NO.——— $30.

The East Line and Red River Railway Company will pay to the bearer hereof on the first day of 188—, in gold coin of the United States, thirty dollars, at the office of the agency of the Company, in the City of New York, for interest due on its bond No.——.

——— ———, Treasurer.

AND WHEREAS, The coupons annexed to such bonds bear upon their face, printed thereon, a *fac simile* of the signature of the Treasurer of the said party of the first part, which is hereby declared to be of the same force and efficacy as if written in his own proper handwriting, under authority from the Board of Directors and stockholders of said Company;

AND WHEREAS, The Board of Directors of said Company, at a meeting thereof, duly held on the eleventh day of May, one thousand eight hundred and eighty, did adopt, authorize, and approve the said form of bonds and coupons, and this mortgage or deed in trust for the purpose of securing the same;

NOW, THIS INDENTURE WITNESSETH:

That said party of the first part, in consideration of the premises, and of the sum of one dollar, to it paid by the party of the second part, before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and for the purpose of securing the payment of the principal and interest of the said fourteen hundred (1,400) bonds, or of so many of such bonds as may be issued hereunder, according to the tenor thereof, hath granted, bargained, sold, assigned, released, and conveyed, and by these presents doth grant, bargain, sell, assign, release and convey unto the said party of the second part, and its lawful successor or successors, and assigns, all and singular the railway constructed from the city of Jefferson to Sulphur Springs, and to be constructed thence to Decatur, Wise county, Texas, or to such other place as the Directors may thereafter legally direct, not exceeding, however, in all, two hundred (200) miles from the city of Jefferson; including the road bed and superstructure and the right of way of said railroad, and all lands and real estate held for railroad purposes, all rails, tracks, side tracks, bridges, viaducts, buildings, depots, station houses, car houses, shops, warehouses, turn-tables, water stations, fences, structures, erections, fixtures and appurtenances, and all other things of whatever kind thereunto belonging or in any wise appertaining, or

which have been or may be acquired or provided for use upon or in connection with the said railroad; and all lands acquired or designed for depots, warehouses and other structures at either terminus, as well as along the line of said road; and also all the locomotives, engines, cars, and other rolling stock, equipment, machinery, instruments, tools, implements, materials, furniture and other chattels now or hereafter belonging or appertaining to said railroad, and all property, both real and personal, of every kind and description which shall hereafter be acquired for use upon or in connection with, or for the purposes of the said railroad; and all the corporate rights, privileges, and franchises which the said party hath and can exercise or shall hereafter acquire or possess, of, in, to, upon, or in respect of, the said railroad, or necessary for the construction, maintenance or operation of said railroad, or anything belonging or appertaining, or which may hereafter belong or appertain to the same, or any part thereof; also all the right, title, interest, and claim which the party of the first part has now or may acquire, or become entitled to, in any land scrip or land from the State of Texas, and all the rents, issues, profits, tolls, and other income of the said railroad, and all the rights, privileges and franchises whatsoever which the said Railroad Company now posseses, owns or is entitled to, and all rights, privileges, and franchises, properties, real and personal, and rights and things which the said Railroad Company may or shall acquire, possess, or become entitled to for the purposes or in connection with said railroad, or the operation, use and maintenance thereof; and also in case the said Trustee, or its successor or successors, shall, at any time hereafter, lawfully enter into the possession of the said railroad, with its appurtenances hereby mortgaged, or have a receiver appointed for the same, any and all fuel or supplies intended for use in and about the operation, repair, or maintenance of said railroad, which said Railroad Company may have on hand at the time of the said Trustee so entering into possession, or at the time of such receivership being granted or applied for; and all the other property and effects, both real and personal, which said Company, at such time of the Trustee so entering into possession, or the granting of, or application for such receivership, may own, or possess, or be entitled unto in respect of the said railroad, to have and to hold, all and singular, the property, real and personal, with the hereditaments and franchises, and all and singular the chartered rights, liberties and franchises, and all the rights and things hereby conveyed, or purporting and hereby intended to be conveyed unto the party of

the second part, its successors and assigns forever.

In trust, nevertheless, for the use, benefit and security of all and singular the persons and corporations who or which shall, from time to time, be lawful owners or holders of any of the said one thousand four hundred (1,400) bonds, of one thousand dollars each, which may be issued and outstanding, with *pro rata* equality, without preference or priority, of any such bondholders over any of the others, and upon the terms and conditions, and with the powers hereinafter expressed; that is to say:

Article 1. None of the said bonds shall be deemed issued, or be valid, or be deemed secured by this mortgage, until there shall have been indorsed upon it a certificate, duly signed by the party of the second part, or its successor or successors, to the effect following, viz.: "The Fidelity Insurance, Trust and Safe Deposit Company, of Philadelphia, the Trustee mentioned within, hereby certifies that the within bond is one of the series described in the mortgage referred to, which has been duly executed, recorded, and delivered to the Trustee. Six hundred and fifty-one of these bonds will be certified and delivered to the Company on the execution of the mortgage, being at the rate of seven thousand ($7,000) dollars per mile of railroad already constructed; and as sections of road, not less than ten miles, are completed and inspected, the residue of the bonds shall be certified and delivered, at the rate of seven thousand ($7,000) dollars per mile."

Article 2. It is further understood and agreed that until default shall be made, either in the principal or interest of any of the said bonds, said Company is suffered and permitted to possess, hold, and enjoy the said railway, with all its appurtenances and equipments, and all property conveyed herein; and to use and operate the same, and to receive the income and profits thereof in the same manner as though this indenture had never been made and executed, except as hereinafter expressed with reference to any land scrip or lands hereafter earned or acquired from the State of Texas by the construction of said road.

It is covenanted and agreed that while the said party of the first part shall remain in possession of the premises hereby mortgaged, and there shall be no default in the payment of interest, sinking fund, or principal hereunder, the said party of the second part, or its successor or successors in the said trust, shall have full power and

authority, to be exercised in its or their own discretion, to release from the lien and operation of these presents, in such manner as it or they may deem proper, any portion of the premises or property hereby mortgaged which may be appurtenant to the said railroad, or which may have been acquired or held for the uses or purposes thereof, but which, in the judgment of the said Trustee, shall be no longer requisite for use in connection therewith, or which shall have been acquired or held for stations, depots, shops, or other buildings, or for supplying fuel, gravel, or other material, and which, in the Trustee's judgment, shall be no longer requisite to be kept for such purposes, and likewise any lands not occupied by the track which may become disused by reason of the change in the location of any station house, depot, shop, or other building connected with the said railroad, and likewise any land occupied by the tracks adjacent to snch station house, depot, shop, or other building, which the said party of the first part, its successors or assigns, may deem it expedient to disuse or abandon by reason of such change, and likewise any part of the original line of track or roadway, and of the depot grounds, buildings, or accommodation connected therewith, which may have been thrown out of use and ceased to form part of the railroad at the time of such release by reason of straightening or alteration of the line of the said road; provided, always, that the power of release given by this article is designed to be exercised, and shall be exercised only in case of the said Railroad Company's selling, or contracting to sell, the property so to be released, because of its being no longer required for the uses or purposes of said railroad, and requiring the same to be released in order to give a perfect title to the purchaser or purchasers; and provided, further, that when such released premises shall have been thrown out of use or cease to be required by reason of change of the line of road, or change of depot grounds, buildings, or other accommodations, substitutes therefor, of equal or greater value, shall be conveyed by appropriate deeds to the Trustee upon the trusts, and for the uses and purposes of this indenture, before the giving of such release under the power contained in this article.

Article 3. The said party of the first part binds itself to pay and satisfy all taxes of every kind whatsoever, which may be lawfully levied or imposed upon any of the lands, property, or objects embraced in this mortgage. Should it fail so to do for sixty days from the time when such taxes shall become due and payable, the party of the second part, its successor or successors, may pay them and

collect any amount so paid from the party of the first part, or it may use any money, funds, or bonds of the party of the first part for that purpose.

Article 4. If default be made in the payment of the interest which shall accrue upon said bonds, or any of them, or any part thereof, or of the sinking fund, or any part thereof, and if the default continues for the space of six months, said party of the second part, its successor or successors in said trust, is hereby empowered to, and upon the request of the holders of one-third of the bonds issued hereunder and then outstanding, shall commence foreclosure proceedings for such interest or sinking fund, or enter upon and take possession, without process of law, or other legal proceedings, of the railway herein mortgaged, so far as said line may then be constructed or in operation, together with all and singular the equipment and rolling stock, depots, and appurtenances as hereinbefore described, as well as all land scrip and lands then earned or acquired, and is authorized to operate and work said railway, making from time to time, while in posssession, all such repairs and replacements, and all such alterations, additions, and improvements to the said railroad and other mortgaged property as shall be necessary and proper, and as the income of the said mortgaged premises shall be adequate to pay for, and to receive the earnings, income, and profits of the same, and pay the expenses of operating and maintenance until the net profits shall be sufficient to pay and discharge all existing arrears of interest or sinking fund, whereupon said arrears of interest or sinking fund shall be paid, and all of said property shall be surrendered and delivered to the party of the first part.

It is understood that while so in possession, the party of the second part shall have free access to all the books of the Company, and shall have the right to pay out of said earnings its own expenses, with reasonable charges and costs.

Article 5. In case of default in the payment of any interest upon said bonds, and such default continuing twelve months, the whole principal sum mentioned in each and all of said bonds then outstanding shall, at the option of the holders of one-third in interest of the said bonds then outstanding, forthwith become due and payable, and in that event, or in case of default in the payment of the principal of said bonds, or any of them, at the maturity of said bonds, the party of the second part, or its successor or successors in this trust, shall foreclose this mortgage by legal proceedings, and sell,

or cause to be sold, the said railway and property, and all the rights, privileges, and franchises, and all the appurtenances herein conveyed, as above expressed, including lands and land scrip, as well as all the benefit of the equity of redemption of the party of the first part in and to the same, with the benefit of the franchises aforesaid, which sale shall be at public auction, in the City of New York, or at Jefferson, Texas, on previous notice of time and place of such sale by advertisement, published not less than three times a week, for ten weeks, in at least two newspapers of general circulation published in the City of New York, two in the city of Philadelphia, and two in the State of Texas, and in such other places as may be required by law. And the party of the second part, its successor or successors, shall make and deliver to the purchasers of the said premises good and sufficient deeds of conveyance for the property, rights, privileges, and franchises, in fee simple, and such sale and conveyance shall be a perpetual bar, both in law and equity, against the party of the first part, its successors and assigns, and all others claiming by, or through, or under them, of all right, title, interest, or claim in and to the property, rights, privileges, and franchises herein conveyed, and every part and parcel thereof. The party of the second part, its successor or successors, may bid for and purchase said property, rights, privileges, and franchises, or any part thereof, at any such sale. From the proceeds of such sale, the party of the second part, its successor or succcessors, shall deduct its just allowances for the expenses thereof, including reasonable attorney and counsel fees, and all expenses which may have been occasioned in managing the said railroad, or the business thereof, together with just compensation for its services. After doing this, the proceeds of sale shall be applied to the payment of the principal and interest of the said bonds then outstanding. If not sufficient to pay the whole amount, then *pro rata* without discrimination or preference. If there be a surplus, it shall be paid over to the party of the first part, or as any Court of competent jurisdiction may order. But the purchaser or purchasers at such sale shall not be bound for the application of the purchase money after paying it to the party of the second part, its successor or successors, or as the Court may direct, or be in any manner answerable for the loss or misapplication thereof.

It is covenanted and agreed that the purchaser or purchasers at any sale of the mortgaged premises hereunder shall be entitled, in making settlement for and payment of the purchase money bidden at such sale, to turn in and use towards the payment of such pur-

chase money any of the bonds or coupons held by such purchaser or purchasers, to or towards the payment whereof the net proceeds of such sale shall be legally applicable, reckoning such bonds or coupons for such purpose at such sum as shall be payable out of the net proceeds of such sale to such purchaser or purchasers as holder or holders of such bonds or coupons for his or their just share and proportion in that character of such net proceeds of sale, upon due apportionment of and accounting concerning such net proceeds, due receipts and acknowledgements being thereupon given by the holders of such bonds or coupons for the amount thus realized thereon, by means of turning in and using the same as aforesaid, and the said bonds or coupons being either delivered up to the person or persons making the sale and entitled to receive payment of the purchase money, or due indorsement being made thereon of the amount so realized on account thereof.

Article 6. The said, The East Line and Red River Railroad Company, the party of the first part, does for itself and its successors covenant, promise, and agree with the party of the second part, and its successor and successors, that it will at any time or times hereafter execute, acknowledge, and deliver under its corporate seal, to the party of the second part, its successor or successors, all such further and other assurances, conveyances, transfers, and instruments in writing, and do all such further acts as may be proper or necessary, or as the counsel of said party of the second part, its successor or successors, learned in the law, shall deem necessary, proper, or expedient, for the better and more effectual securing of the payment of the series of bonds provided to be issued under and by virtue of these presents, and the interest due or to become due thereon, and for carrying into effect the object and design of this conveyance, and preserving and keeping valid the lien hereby intended to be created upon the property herein and hereby conveyed.

Article 7. The party of the first part does hereby covenant and promise with and to the party of the second part, that it will appropriate and set apart, from and out of the earnings of the said railroad, for the year commencing September 1st, 1885, and each successive year thereafter, until all the bonds provided for by this indenture shall be paid off and extinguished, a sum annually equal to not less than two per cent. of the amount of all such bonds as shall then be outstanding hereunder, which sum shall be paid to the party of the second part, its successor or successors in this trust, by

the party of the first part, on or before the fifteenth day of December, following the close of each of said years, and the said last mentioned moneys, together with all moneys which may accrue to and be received in the execution of said trust, and the interest on all bonds purchased or received by the party of the second part, its successor or successors in this trust, under the provisions of this conveyance (which interest shall be regularly paid by the party of the first part, to the party of the second part, its successor or successors in this trust, until the maturity of the bonds), after debiting all charges and expenses in the execution thereof, shall constitute a sinking fund for the redemption of the said bonds, and shall be faithfully applied to that object.

The holders of one-third in amount of the bonds issued hereunder at any time outstanding may, by an instrument in writing, or concurrent instruments in writing, executed under their hands or the hands of their attorneys in fact, at any time when the party of the first part is unable to pay the same, suspend for a period not greater than five years at any one time the operation of the provisions herein contained, in respect to the payment by the party of the first part to the party of the second part of a sum not less than two (2) per cent. of the bonds outstanding toward the sinking fund hereunder, and the holders of two-thirds in interest of such outstanding bonds issued hereunder may at any time, by an instrument in writing, or concurrent instruments in writing, under the hands of themselves, or their attorneys in fact, set aside and annul during the whole or any part of the remainder of the period covered by this mortgage, the operation of said provisions in respect to the payment of such sum toward such sinking fund. And the lien of said mortgage shall not otherwise be affected thereby.

Article 8. It shall be the duty of the party of the second part, and of its successors, to invest the sinking fund, as fast as it accumulates, after retaining taxes thereon, and the expenses of the trust, in the bonds hereby and herein authorized and secured, at their current market value, not exceeding five per cent. above par, exclusive of interest; and, if, after twenty days' public notice in two newspapers of general circulation, published in the cities of New York and Philadelphia, to be selected by the party of the second part, its successor or successors in said trust, inviting proposals for the sale of said bonds, they can not be purchased at a satisfactory price, not exceeding five per cent. above par, exclusive of interest, then the party of the second part, its successor or successors in said trust, shall call

for the presentation of so many of said bonds as the money then remaining in hand, with any accretions, will be sufficient to redeem, ascertaining those to be redeemed by a drawing, in the presence of the party of the second part, its successor or successors in said trust, and an executive officer or duly authorized agent of the East Line and Red River Railroad Company and a notary public, in which drawing all the bonds then outstanding shall fairly participate, through their respective numbers; and the notary public shall certify the result to the parties hereto. And thereupon notice shall be given by said party of the second part, its successor or successors in said trust, by ten successive insertions in two newspapers published in New York and Philadelphia (a morning and evening paper in each city) fixing a day not less than twenty days after said drawing, upon which said bonds, designating them by their numbers, will be paid, at par, and five per cent. premium, together with interest thereon to the day of redemption; after which date such designated bonds shall cease to bear interest in the hands of the holders; and all bonds purchased or paid out of said fund shall be registered in the name of, and stamped by, the party of the second part, its successor or successors in said trust, and cancelled; but the interest thereon shall be regularly paid by the party of the first part to the party of the second part, its successor or successors in said trust, until the maturity thereof, but both parties shall keep registers of all bonds so purchased and paid subject to the inspection of the bondholders and stockholders; and the bonds so cancelled shall be reported, by numbers and amounts, annually to the stockholders.

The trustees are authorized and empowered to invest any surplus of the sinking fund on hand, in United States securities, until it can be used in purchasing and retiring the bonds herein authorized.

Article 9. The party of the second part, its successor or successors, as often as once in each year, shall make and furnish to the party of the first part a detailed statement of the moneys and securities in their hands, and all such other matters connected with said trusteeship as the party of the first part may reasonably require. In case of the resignation, insolvency, incapacity, or inability for any other reason of the party of the second part, or its successor or successors, to act in execution of this trust, the holders of a majority in interest of said outstanding bonds may select or designate one or more competent persons, or a corporation, to execute said trust, and the person or persons, or corporation, so selected shall have all the rights and privileges conferred by this conveyance upon

the party of the second part, and shall be required to perform the same duties. The bondholders failing, after thirty days' notice published in two newspapers of general circulation in New York and two in Philadelphia, to fill such vacancy, the President for the time being of the party of the first part shall make a temporary appointment for such vacancy which shall continue until the holders of a majority in interest of said outstanding bonds shall designate a new Trustee, or new Trustees, to act hereunder. When the holders of a majority in interest of the outstanding bonds shall by an instrument in writing, or concurrent instruments in writing, executed by themselves or their attorneys in fact, designate a new Trustee, or new Trustees, under this mortgage, the estate, powers, rights, and privileges hereunder of any Trustee other than the Trustee appointed by these presents shall immediately cease and determine, and be transferred to and vest in the new Trustee or new Trustees so designated, and thereafter such new Trustee or new Trustees shall hold such estate, rights, powers, and privileges with the like effect as if he, it, or they had been designated as the party of the second part hereunder.

Article 10. Any land scrip that may be hereafter acquired from the State of Texas by constructing the road herein mentioned, may be located or not, at the option of the party of the first part. If located, the lands shall be listed and appraised as located by sections or subdivisions of sections, as may seem most expedient for effecting sales thereof, and such appraisement shall be subject to the approval of the party of the second part, its successor or successors in said trust. These appraisals shall be the minimum prices for which the respective parcels shall be sold, and shall not be changed except by the consent of both parties to this conveyance. If the party of the first part determine not to locate its scrip, it shall be listed and appraised, subject to the approval of the party of the second part, its successor or successors in said trust; and any of the bonds herein and hereby secured shall be received at the par value thereof and accrued interest in payment for said land scrip or lands.

The lands or the land scrip may be sold by the party of the first part, by and with the consent of the party of the second part, its successor or successors in said trust, for cash or on credit, but in either event, when the purchase money is paid, either in cash or in bonds, title shall be made to the purchaser, and the party of the second part, its successor or successors in said trust, shall release the land or scrip so sold from the lien herein created. In all such transactions the party of the second part, its successor or successors in

said trust, may act through an agent or attorney. The net proceeds of sales of lands or scrip, after deducting commissions and taxes paid, together with other proper expenses chargeable against such lands, shall be added to the sinking fund, and applied as directed in Article eight for the sinking fund, otherwise created.

And the said party of the first part, for itself, its successors and assigns, hereby agrees to waive and does hereby absolutely and irrevocably waive and relinquish the benefit or advantage of any or all valuation, stay, appraisement, extension, or redemption law or laws now existing, or which may hereafter be passed by the State of Texas or by the United States, which, but for this provision, agreement, and waiver might be applicable to the sale hereinbefore authorized to be made, or to any judicial sale which may be made of said mortgaged railroad or premises, or any part thereof, under and in virtue of the judgment or decree of any Court in a suit instituted for the foreclosure of this mortgage, or for the enforcement of the lien by this indenture created; and the said party of the first part for itself, its successors and assigns, agrees to waive, and does hereby irrevocably waive, any and all right of redemption which it might or could otherwise have or be entitled to under any present or future law of the State of Texas, or of the United States, upon or after or in respect of any sale of the said mortgaged premises, properties, rights, and franchises, or any part thereof, as hereinbefore authorized, or any judicial sale under order or decree of the Court in a suit for the foreclosure of this mortgage or the enforcement of its lien as aforesaid; and the said party of the first part hereby covenants that it will not in any manner set up, or seek to take the benefit or advantage of any such present or future valuation, stay, appraisement, extension, or redemption law to prevent or hinder or delay the absolute and irredeemable sale of said mortgaged premises, properties, rights, and franchises as hereinbefore authorized to be made, or as might, but for such law, be directed or decreed by a Court of competent jurisdiction.

Article 11. The party of the second part, its successor or successors in this trust, is authorized and empowered to employ agents and attorneys, to do and perform such duties as are imposed upon the party of the second part, in and by the terms of this indenture, who when duly appointed in writing by the party of the second part, its successor or succcessors in said trust, shall have the right and powers contained in such appointment, not inconsistent with or in excess

of the powers and duties imposed by this indenture upon the party of the second part.

When all the said bonds and interest thereon, together with all costs, charges and expenses sustained in the execution of this trust, shall have been paid and satisfied by the party of the first part, its successors or assigns, it shall be immediately reinvested, both in law and in fact, with the title to all of the property hereby conveyed.

In witness whereof, the said party of the first part has hereunto affixed its corporate seal, and has caused these presents to be attested by its President and Secretary, at Jefferson, Texas, this first day of June, one thousand eight hundred and eighty.

By order of the Board of Directors.

THE EAST LINE AND RED RIVER RAILROAD COMPANY.

[L. S.] By W. M. HARRISON,
President.

Attest:
W. H. COOK,
Secretary.

Signed, sealed and delivered in the presence of
T. J. ROGERS,
F. M. BURROWS.

The Trustee named in the foregoing deed accepts the trust therein mentioned, and agrees to perform the case.

THE FIDELITY INSURANCE, TRUST AND SAFE DEPOSIT COMPANY,
Trustee.

[L. S.] STEPHEN A. CALDWELL,
President.

Attest:
R. PATTERSON,
Secretary and Treasurer.

THE STATE OF TEXAS, } ss.
County of Marion. }

Be it remembered, that on this 22nd day of June, Anno Domini, one thousand eight hundred and eighty, before me, the subscriber, a Notary Public in and for the county of Marion, State of Texas, personally appeared W. M. Harrison, to me personally known, and

known to me to be the President of the within named corporation, the East Line and Red River Railroad Company, who, being duly affirmed, deposes and says:

That he was personally present at the execution of the within indenture of mortgage, and did, by authority of said Company, officially affix the common or corporate seal of the corporation, the East Line and River Railroad Company, thereto; and that the seal so affixed is the common or corporate seal of the said The East Line and Red River Railroad Company, and that the foregoing indenture of mortgage was duly signed, sealed and delivered, by and as and for the act and deed of the said The East Line and Red River Railroad Company, for the uses and purposes therein mentioned; and that the signature of this deponent to the said indenture of mortgage, as President of the said corporation, is of this deponent's own proper handwriting

W. M. Harrison.

Affirmed and subscribed before me, the day and year aforesaid.

F. M. Burrows,

[L. S.] Notary Public.

State of Texas, }
County of Marion. } ss.

Be it it remembered, that on the 22nd day of June, Anno Domini, one thousand eight hundred and eighty, before me, the subscriber, a Notary Public in and for the county of Marion, State of Texas, personally appeared W. H. Cook, to me personally known, who being duly affirmed according to law, deposes and says:

That he is the Secretary of the East Line and Red River Railroad Company, the corporation named in the above and foregoing indenture of mortgage; that he was personally present at the execution of the said indenture of mortgage, and saw the corporate seal of said Company affixed thereto; that W. M. Harrison, the President of said Company, did then sign, seal, and deliver the said indenture of mortgage as his act and deed, and as the act and deed of said Company, by virtue of the authority vested in him, as such President, and by a resolution of the Board, to execute the same, and desire that the said indenture of mortgage might be recorded as such act and deed; that the seal so affixed is the common or corporate seal

of the said Company; that he, the deponent, at the same time signed his name to the said indenture of mortgage as a subscribing witness thereto, and, as said Secretary, in attestation of the due execution and delivery thereof, and that the names of the said President, and of this deponent subscribed to the said indenture of mortgage, as aforesaid, are of their own proper and respective handwriting.

W. H. Cook.

Affirmed and subscribed before me, the day and year aforesaid.

F. M. Burrows,

[L. S.] Notary Public.

CONTRACT AND CONVEYANCE

OF THE

EAST LINE AND RED RIVER RAILROAD COMPANY

TO THE

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY.

THIS INDENTURE AND CONTRACT, made on the 28th day of November, in the year of our Lord one thousand eight hundred and eighty-one, by and between the EAST LINE AND RED RIVER RAILROAD COMPANY, a corporation created by and under the laws of the State of Texas, party of the first part, and the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, a corporation created and existing under the laws of the State of Kansas, and having and owning certain franchises under the laws of Texas, party of the second part;

WITNESSETH:

That the said party of the first part, for and in consideration of the sum of one hundred dollars, lawful money of the United States, to it in hand paid, at or before ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and for other and further lawful considerations, hath merged itself into the party of the second part, under its own and proper corporate name of "The Missouri, Kansas and Texas Railway Company," on the terms and conditions herein and hereby agreed upon, by granting, bargaining, selling, aliening, remising, assigning, transferring, conveying and confirming unto the party of the second part, its successors or assigns,

all the franchises, corporate rights and privileges of the said party of the first part, together with its track, road-bed, buildings, rolling-stock, engines, tools, bonds, stocks, grants, privileges, property, real and personal, and every right, title and interest in or to any franchise or property, real or personal, and all rights of every name and kind, which the party of the first part has any right, privilege or interest, situated and being in the State of Texas, or elsewhere; the object and intent of this contract, conveyance and agreement being to so merge the rights, powers and privileges of the party of the first part into the party of the second part, as the party of the second part, under its own charter, corporate name and organization shall, without impairing any existing right, exercise, in addition thereto, all powers, rights, privileges and franchises, and own and control all the properties that the party of the first part now exercises or owns, or by its charter or the laws it has the right to exercise, own or control.

Provided, however, that the franchises of the party of the first part, to be and to remain a corporation until such time as may hereafter be agreed upon for its dissolution, shall not be impaired or infringed upon by anything contained in this contract.

And provided also, that nothing in this contract contained is intended to, or shall impair any legally existing contract, by mortgage or otherwise, of the party of the first part; and the contract of date, the —— day of October, 1881, for the construction of additional road, between the party of the first part hereto, and the International Railway Improvement Company, is to be carried out by the party of the second part.

A further consideration for this indenture, contract and conveyance, is that the said party of the second part, takes the premises and property aforesaid, subject to the outstanding mortgage to the Fidelity Insurance, Trust and Safe Deposit Company, of date June first, 1880, and is to perform and fulfill all the charter obligations of the party of the first part, to the State of Texas and to the public.

And a further consideration is that the party of the second part, sells and delivers to Jay Gould, as Trustee for the party of the first part, ten thousand dollars ($10,000) in the capital stock, and thirteen thousand dollars ($13,000) in the general consolidated mortgage bonds of the Missouri, Kansas and Texas Railway Company, for each mile of the completed road of the party of the first part, between Jefferson and Greenville, which bonds and stocks are to be delivered to the stockholders of the party of the first part, on the delivery of the certificates of stock of the party of the first part,

assigned to H. B. Henson, as Trustee for the party of the second part, and which stock of the party of the first part shall not be cancelled, but shall be held by the said Henson, as Trustee, for the party of the second part hereto, for the purpose of preserving to the party of the second part hereto, all of the rights pertaining thereto, until otherwise provided by authorized corporate action. The corporate existence of the party of the first part shall be maintained, and its power to carry out all existing contracts, remains unimpaired. This conveyance is duly authorized by the corporate action of the party of the first part.

In witness whereof, the said party of the first part has caused these presents to be executed by its President, and attested by its corporate seal, this 28th day of November, 1881.

JAS. A. BAKER,
President.

[L. S.]

Attest, this 28th day of November, 1881:

WM. H. ABRAMS,
Secretary.

STATE OF TEXAS, }
County of Harris. }

Before me, E. McAshan, a Notary Public in and for the State and and county aforesaid, duly commissioned and qualified, on this day personally appeared Jas. A. Baker, as President of the East Line and Red River Railroad Company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

Given under my hand and seal of office, this 16th day of December, A. D. 1881.

[L. S.]

E. MCASHAN,
Notary Public,
County of Harris, State of Texas.

TAYLOR, BASTROP AND HOUSTON

RAILWAY COMPANY.

The Taylor, Bastrop and Houston Railway Company was organized under the general laws of the State of Texas, by articles of association, in April, 1886, which were filed in the office of the Department of State, the 26th day of April, A. D. 1886. Under the original articles the name of the corporation was the Bastrop and Taylor Railway Company. Under said original charter it was authorized to construct a railway from the town of Bastrop, in the county of Bastrop, to the town of Taylor, in the county of Williamson.

At a meeting of the stockholders of the Bastrop and Taylor Railway Company, held on the 8th of September, 1886, when all the capital stock subscribed for was represented, a resolution was passed amending the original articles of incorporation, by which the name of said corporation was changed to "The Taylor, Bastrop and Houston Railway Company." By the terms of the amendment, said Company was authorized to construct a line of railway from the town of Taylor, in Williamson county, by way of the town of Elgin, through the counties of Williamson, Travis and Bastrop, to the town of

Bastrop, a distance of about thirty-two miles, as heretofore authorized; thence through the counties of Bastrop, Fayette, Colorado, Austin, Waller, and Harris, to the City of Houston, a distance of about one hundred and thirty miles, with the right to erect and maintain a telegraph line along the line of said railway. It also increased the capital stock of the corporation to two millions nine hundred and twenty thousand dollars. These amended articles of incorporation were dated the 8th day of September, 1886, and were filed in the office of the Department of State on the 27th day of October, A. D. 1886.

At a meeting of the stockholders of the Taylor, Bastrop and Houston Railway Company, held on February 14th, 1887, article second of the amended articles of incorporation, filed in the office of the Secretary of State on the 27th of October, 1886, were again amended, authorizing the construction of a branch road from a point on the main line, in Bastrop county, through the counties of Bastrop, Caldwell and Hays, to an intersection with the International and Great Northern Railroad, at a point in Hays county, a distance of about fifty miles, with the right to erect and maintain a telegraph line along said main line and branch, for the use and operation of said roads. This amendment of the articles of incorporation bears date February 14th, 1887, and was filed in the office of the Department of State on the 7th day of March, 1887. At this meeting the capital stock of the Company was increased one million of dollars.

At a meeting of the Board of Directors of the Company, held on the 8th day of November, 1886, a resolution was passed authorizing the executive officers of the Company to make and execute the bonds of the Company to the extent of twenty thousand dollars per mile

on the entire length of its railroad, built and to be built, said bonds to bear date December 1st, 1886, and payable on the 1st day of June, 1920, said bonds to be for one thousand dollars each, and to bear interest at the rate of six per cent. per annum, payable semi-annually. To secure the payment of said bonds, said executive officers were also authorized, by resolution, to make, execute and deliver to John F. Dillon and H. B. Henson, of New York, as trustees, a mortgage or deed of trust, conveying the Company's franchises, line of railway, equipment, and all the corporate property, real and personal, used for and pertaining to the operation of said railroad.

At the meeting of the Directors, held 8th of November, 1886, a resolution was passed authorizing the executive officers of the Company to sell and convey to the Missouri, Kansas and Texas Railway Company all of the corporate franchises and property of the Taylor, Bastrop and Houston Railway Company, which resolution was as follows:

Resolved, That the proper executive officers of this Company be and are hereby authorized to grant, bargain, sell and convey unto the Missouri, Kansas and Texas Railway Company all the franchises and corporate rights and privileges of the Taylor, Bastrop and Houston Railway Company, together with all its track, road-bed, railway buildings, rolling stock, engines, tolls, bonds, stocks, grants, privileges, property, real and personal, and every right, title and interest in or to any franchises, real or personal, and all rights of every name and kind which the Taylor, Bastrop and Houston Railway Company possesses, or in which it has any right, privilege or interest, situated and being in the State of Texas, or elsewhere; for and in consideration of the sum of one hundred dollars, and the further consideration that the said Missouri, Kansas and Texas Railway Company shall perform and fulfill all the charter obligations of the Taylor, Bastrop and Houston Railway Company to the State of Texas and to the public. The said conveyance shall provide that

the corporate franchises of this Company to remain a corporation until such time as may be hereafter agreed upon for its dissolution, shall not be impaired or infringed by said contract, nor shall said contract impair any legal existing contract, by mortgage or otherwise, of this Company, and especially the mortgage this day authorized to be made and executed to John F. Dillon and Henry B. Henson, Trustees, dated the first day of December, 1886, to secure bonds to be issued from time to time according to its terms and provisions; and to this end and purpose the President of this Company, or in his absence the Vice-President, is hereby authorized and instructed to make, execute and deliver to the said Missouri, Kansas and Texas Railway Company, a contract and conveyance in form and substance as follows:

[Here follows copy of contract of sale to the Missouri, Kansas and Texas Railway Company hereinafter contained.]

At a meeting of the Board of Directors of the Company, held on December 29th, 1886, the Vice President presented a report, of which the following is a copy:

To the Board of Directors of the Taylor, Bastrop and Houston Railway Company:

At a meeting of the directors of the Taylor and Bastrop Railway Company, held on the eighth of September, 1886, the President of the Company was authorized to enter into contract for the construction and completion of the road as early as practicable.

An amendment to the articles of incorporation of said Company was filed in the office of the Secretary of State on the 27th day of October, 1886, from which date it took effect. By that amendment the name of the Company was changed so as to be hereafter called and known as the Taylor, Bastrop and Houston Railway Company, with authority to extend said road from Bastrop to Houston, Texas, and the capital stock of said Company was fixed at two millions nine hundred and twenty thousand dollars, including three hundred and twenty thousand dollars before then subscribed under the original charter.

After said amendment took effect, the President, H. M. Hoxie, under authority of the resolution of the Directors of September 8, 1886, above referred to, contracted with Guy Phillips, of New York, for the construction of the entire line from Taylor to Houston, for

which he agreed that said Phillips should be paid in the first mortgage six per cent. bonds of said Company twenty thousand dollars a mile, and ten thousand dollars a mile in the capital stock of said Company. Said contract was reduced to writing, but owing to the extended illness of the President, who afterwards died, it was never signed by the Company.

* * * * * * * * * * * *

Under the contract the said Phillips has completed the road from Taylor to Bastrop to the approval of the engineer in charge, who has certified to the same, and a copy of his certificate is herewith exhibited, marked "A," as a part of this report.

From this certificate it will be seen that the distance so constructed is thirty-four and fifty-five one hundredth miles, and the contractor is now entitled to his compensation as agreed on, say to six hundred and ninety-one of the Company's first mortgage six per cent. bonds, and in its full paid capital stock to three thousand four hundred and fifty-five shares, of one hundred dollars each.

But for considerations satisfactory to the parties, the said Guy Phillips desires that of the stock due him, sixteen hundred and one shares shall be issued as follows: say

To W. H. Newman	1,595 shares.
To J. A. Hooper	1 "
To Geo. W. Burkett	1 "
To Jas. A. Baker	1 "
To S. H. H. Clark	1 "
To Joe Herrin	1 "
To Chester Erhard	1 "
Making	1,601 shares,

which shares shall be in payment of the subscription of said parties to the capital stock. And the balance due him, say eighteen hundred and fifty-four shares, shall be issued to him in full of all stock due him for the construction of this road from Taylor to Bastrop.

On these facts I recommend:

I. That the Board ratify, approve and confirm the contract for construction as reported from Taylor to Houston, and authorize the President to sign, seal and deliver it.

II. That the road as constructed from Taylor to Bastrop be accepted by the Board as so much of the contract fulfilled by the contractor.

III. That in payment and satisfaction for the construction from Taylor to Bastrop, the Secretary be authorized to deliver to said Guy Phillips six hundred and ninety-one of the first mortgage bonds of said Company, and a certificate for 1,854 shares of the full paid capital stock of said Company in his own name, and to W. H. Newman 1,595, and to J. A. Hooper, Geo. W. Burkett, Jas. A. Baker, S. H. H. Clark, Jo Herrin and Chester Erhard, each one share, and that this settlement shall be declared to be in full satisfaction of the subscription for stock by the parties named, and in full settlement with said Guy Phillips for so much of his contract as includes the road from Taylor to Bastrop.

All of which is respectfully submitted by

JAS. A. BAKER,
Vice-President.

29th December, 1886.

At this meeting of the Board of Directors the contract with Guy Phillips, for the construction of the road from Taylor to Houston, as reported by the Vice President, was approved and adopted, and the President was instructed to sign and deliver the same as the contract of the Company.

A resolution was also passed formally accepting from the contractor the road from Taylor to Bastrop, as now constructed, and that in full payment for the construction of said road, from Taylor to Bastrop, and for materials furnished, the Secretary was authorized and instructed to pay to the said Guy Phillips six hundred and ninety-one of the Company's first mortgage bonds, and a certificate for eighteen hundred and fifty-four shares of the capital stock fully paid up; and that the Secretary also issue and deliver, of its fully paid capital stock, at the request of the said Guy Phillips, to be charged to him, in payment of the balance due him in stock, for the work and material done and furnished, from Taylor to Bastrop, as follows: To W. H. Newman, 1595 shares; to J.

A. Hooper, G. W. Burkett, J. A. Baker, S. H. H. Clark, J. Herrin and Chester Erhard, one share each.

At a meeting of the stockholders of the Company, held on January 18th, 1887, which was convened by order of the Board of Directors, at their meeting on the 8th of November, 1886, of which notice had been given in the manner required by law, a resolution was passed ratifying, approving and confirming the resolutions of the Board of Directors, passed on the 8th of November, 1886, authorizing the executive officers of the Company to make and sign the bonds of the Company, to the extent of twenty thousand dollars per mile of the road, built and to be built, and also authorizing the making, executing and delivering to John F. Dillon and H. B. Henson, trustees, a mortgage or trust deed, conveying the corporate property and franchises of the Company; and also approving the acts of said executive officers in issuing said bonds, and executing and delivering said mortgage in accordance with said resolutions of the Board of Directors.

A resolution was also passed ratifying and approving the acts of the Board of Directors in ordering the conveyance of all of the Company's corporate property and franchises, according to the form set out, to the Missouri, Kansas and Texas Railway Company, and also the acts of the executive officers in signing, sealing and delivering said conveyance, and they were adopted as the acts of the stockholders, in legal effect, the same in all respects as if originally done by them in their corporate capacity.

At a meeting of the Board of Directors, held on July 30th, 1887, the principal public office of the Taylor, Bastrop and Houston Railway Company was removed from Bastrop to the City of Houston.

At a meeting of the stockholders of the Company, held on the 15th of October, 1887, called by the Board of Directors, and of which notice was given in the manner required by law, a resolution was passed authorizing the executive officers of the Company to make and execute a series of bonds of said Company, to the extent of twenty thousand dollars per mile, of the branch railway constructed and to be constructed, from a point on its main line, in Bastrop county, to an intersection with the International and Great Northern Railroad, in Hays county, which should be on an equality with each and all bonds issued under said Company's mortgage of date December 1st, 1886, to be dated and made payable as said bonds issued under said mortgage of December 1st, 1886; and also a resolution authorizing the executive officers of the Company to execute and deliver to John F. Dillon and Henry B. Henson, trustees, a trust deed or mortgage, to be known as the Company's supplemental mortgage, conveying the said branch road, equipments, etc., to secure the payment of the bonds authorized under the resolution, as well as further to secure the payment of the bonds issued under the mortgage of the 1st December, 1886.

MEMORANDUM OF CONSTRUCTION.

Road completed to Bastrop November 30, 1886.

Road completed to Lagrange August 18, 1887.

Road completed from San Marcos to Lockhart October 5, 1887.

Road completed to Boggy Tank November 1, 1887.

ARTICLES OF INCORPORATION

OF THE

BASTROP AND TAYLOR RAILWAY COMPANY.

STATE OF TEXAS, }
County of Bastrop. }

Know all men by these presents, that we the subscribers hereto, being desirous of agreeing and enjoying the rights, powers and immunities, and privileges of a corporation and body politic in law, for the purpose of constructing, operating and maintaining a railroad in the State of Texas, under and by virtue of the laws of the State of Texas, especially said law as set out in title LXXXIV, and such acts as may be supplemental thereto and amendatory thereof, do hereby adopt the following Articles of Incorporation:

1. The name of said corporation shall be the Bastrop and Taylor Railway Company.

2. The said railroad is to be constructed from the town of Bastrop, in the county of Bastrop, to or near the town of Taylor, in the county of Williamson, passing through said counties of Bastrop and Williamson.

3. The main office of said corporation shall be established and maintained in the town of Bastrop.

4. The corporation shall commence and be in existence from the date of the issuance of the charter, and continue in existence for fifty years.

5. The amount of the capital stock of said corporation shall be three hundred and twenty thousand ($320,000) dollars.

6. The names and respective places of residence of the persons

forming said corporation are as follows: R. L. Walker, Austin, Travis county, Texas; A. W. Moore, Bastrop, Bastrop county, Texas; M. H. McLauren, Austin, Travis county, Texas; J. C. Buchanan, Bastrop, Bastrop county, Texas; R. A. Green, Bastrop, Bastrop county, Texas; Chester Erhard, Bastrop, Bastrop county, Texas; Calvin Satterfield, Austin, Travis county, Texas; Peyton Brown, Austin, Travis county, Texas; J. S. Smith, Elgin, Bastrop county, Texas; R. V. Sandifer, Elgin, Bastrop county, Texas; G. W. Jones, Bastrop, Bastrop county, Texas.

7. The names of the first Board of Directors are as follows: R. S. Walker, M. H. McLauren, A. W. Moore, J. C. Buchanan, R. S. Green, Chester Erhard and Calvin Satterfield, and the government of the corporation and the management of its affairs shall be vested in the President, Vice-President, Secretary and Treasurer. The following are the above named officers for the present year: R. L. Walker, President; M. H. McLauren, Vice-President and Treasurer; H. M. Garwood, Acting Secretary.

8. The capital stock shall consist of thirty-two hundred shares of one hundred dollars ($100) each, aggregating three hundred and twenty thousand dollars ($320,000).

In testimony whereof we hereunto affix our names.

R. L. Walker,
A. W. Moore,
W. H. McLauren,
J. C. Buchanan,
R. A. Green,
G. W. Jones,
Chester Erhard,
R. V. Standifer,
J. S. Smith,
Calvin Satterfield,
Peyton Brown.

State of Texas, }
County of Bastrop. }

Before me, F. A. Orgain, a Notary Public of Bastrop county, Texas, this day personally appeared R. A. Green, J. C. Buchanan, G. W. Jones, Chester Erhard and A. W. Moore, known to me to be the persons whose names are subscribed to the foregoing instrument,

and severally acknowledged to me that they executed the same for the purposes and considerations therein expressed.

Given under my hand and seal of office, the tenth day of April, A. D. 1886.

F. A. ORGAIN,
Notary Public,
[L. S.] Bastrop County, Texas.

STATE OF TEXAS, }
County of Travis. }

Before me, H. E. Shelley, Notary Public, Travis county, Texas, on this day personally appeared R. L. Walker, M. H. McLauren, Peyton Brown and Calvin Satterfield, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for all the purposes and considerations therein expressed.

Given under my hand and notarial seal at Austin, Texas, this 13th day of April, A. D. 1886.

H. E. SHELLEY,
Notary Public,
[L. S.] Travis County, Texas.

STATE OF TEXAS, }
County of Bastrop. }

Before me, J. E. B. Laird, a Notary Public in and for the county of Bastrop, on this day personally appeared R. V. Standifer and John S. Smith, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and considerations therein expressed.

Given under my hand and seal of office, this tenth day of April, A. D. 1886.

J. E. B. LAIRD,
Notary Public,
[L. S.] Bastrop County, Texas.

STATE OF TEXAS, }
County of Travis. }

Before me, the undersigned authority, on this day personally appeared R. L. Walker, Calvin Satterfield and M. H. McLauren, who after being by me duly sworn, say that they are among the duly elected Directors of the Bastrop and Taylor Railway Company, and that the sum of one thousand dollars for every mile proposed to be built by said Company has been subscribed in good faith, and that five per cent. of the amount subscribed has been paid into the hands of the Directors and Managers named in the Articles of Incorporation.

R. L. WALKER,
CALVIN SATTERFIELD,
M. H. MCLAUREN.

Sworn to and subscribed before me this, the 13th day of April, 1886.

H. E. SHELLEY,
Notary Public,
Travis County, Texas.

[L. S.]

[CERTIFICATE.]

STATE OF TEXAS, }
ATTORNEY GENERAL'S OFFICE. }
AUSTIN, April 15th, 1886. }

This is to certify that the original Articles of Incorporation of the Bastrop and Taylor Railway Company were submitted to me on the fifteenth day of April, 1886, and that having carefully examined the same I find them in accordance with the provisions of chapter one, title LXXXIV, of the Revised Statutes of Texas, and not in conflict with the laws of the United States, or of the State of Texas.

As witness my hand and the seal of said office.

JOHN D. TEMPLETON,
Attorney General.

[L. S.]

[ENDORSED.]

Charter of Bastrop and Taylor Railway Company, filed for record in the Department of State, April 26, A. D. 1886.

J. W. BAINES,
Secretary of State.

STATE OF TEXAS,
DEPARTMENT OF STATE.

I, Jos. W. Baines, Secretary of State of the State of Texas, do hereby certify that the foregoing original charter of the "Bastrop and Taylor Railway Company" was this day filed for record in this Department, and the same, with endorsement thereon, is now of record on pages 216, 217, 218 and 219, Book "B" of Railroad Charters.

Witness my official signature and the seal of State affixed, at the City of Austin, this 26th day of April, A. D. 1886.

J. W. BAINES,
Secretary of State.

[L. S.]

AMENDMENTS OF ARTICLES ONE. TWO AND FIVE

OF THE

ARTICLES OF INCORPORATION

OF THE

BASTROP AND TAYLOR RAILWAY COMPANY.

KNOW ALL MEN BY THESE PRESENTS:

That in accordance with a resolution of the stockholders of said Company, adopted by all the stockholders at a meeting held at the general office of said Company, in the town of Bastrop, on the 8th day of September, 1886, in which all the stock of said Company was represented, articles one, two and five of the Articles of Incorporation, as originally adopted and filed in the office of the Secretary of State of the State of Texas, on the 26th day of April, 1886, are hereby amended so that the said Articles shall hereafter read as follows:

Article 1. The name of said corporation shall be "The Taylor, Bastrop and Houston Railway Company."

Article 2. Said railway is to be constructed from the town of Taylor, in Williamson county, by way of the town of Elgin, through the counties of Williamson, Travis and Bastrop, to the town of Bastrop, a distance of about thirty-two miles, as heretofore authorized; thence through the counties of Bastrop, Fayette, Colorado, Austin, Waller and Harris to the City of Houston, a distance of about one hundred and thirty miles, with the right to erect and maintain a telegraph line along the line of said road, to be used for railroad purposes.

Article 5. The capital stock of said corporation shall be two million nine hundred and twenty thousand dollars, including the three hundred and twenty thousand dollars already subscribed to said road from Taylor to Bastrop, to be divided into shares of one hundred dollars each.

In witness whereof, the President and Board of Directors of said Bastrop and Taylor Railway Company hereto sign our names, and cause this act to be attested by the Secretary, under the seal of said Company, at its general office, on this the 8th day of September, A. D. 1886.

[Signed] H. M. HOXIE, President and Director.
" JAS. A. BAKER, Director.
" J. A. HOOPER, Director.
" G. W. BURKETT, Director.
" J. HERRIN, Director.
" CHESTER ERHARD, Director.
[L. S.] " W. H. NEWMAN, Director.

Attest:

CHESTER ERHARD,
Secretary.

[CERTIFICATE.]

ATTORNEY GENERAL'S OFFICE,
AUSTIN, October 22nd, 1886.

This is to certify that the Amended Articles of Incorporation of the Taylor and Bastrop Railway Company, hereafter to be called the Taylor, Bastrop and Houston Railway Company, were submitted to me on the 22nd day of October, 1886, and that having carefully examined the same I find them in accordance with the provisions of chapter one, title LXXXIV of the Revised Statutes of Texas, and not in conflict with the laws of the United States, or the State of Texas.

In witness whereof I have hereto set my hand and official seal.

[Signed] JOHN D. TEMPLETON,
Attorney General.

[L. S.]

[ENDORSED.]

Amended Charter Bastrop and Taylor Railway Company, filed for record in Department of State, October 27, A. D. 1886.

[Signed] J. W. BAINES,
Secretary of State.

STATE OF TEXAS,
DEPARTMENT OF STATE.

I, Jos. W. Baines, Secretary of State of the State of Texas, do hereby certify that the foregoing Amended Charter of the "Bastrop and Taylor Railway Company" was this day filed for record in this Department, and the same, with endorsements thereon, is now of record on pages 267 and 268, Book B of Railroad Charters.

Witness my official signature and the seal of State affixed, at the City of Austin, this 27th day of October, A. D. 1886.

[Signed] J. W. BAINES,
[L. S.] Secretary of State.

BRANCH TO SAN MARCOS.

AMENDED CHARTER.

STATE OF TEXAS, }
County of Bastrop. }

Know all men by these presents, that in accordance with the resolution of the stockholders of the Taylor, Bastrop and Houston Railway Company, adopted by all the stockholders of said Company, except one who holds a single share, at a special meeting held for the purpose, and pursuant to notice, at the general office of said Company, in the town of Bastrop aforesaid, on the 14th day of February, 1887, in which all of the stock of said Company was represented, except one share owned by S. H. H. Clark, the following resolution was unanimously adopted:

Resolved, That article 2 of the articles of incorporation of the Taylor, Bastrop and Houston Railway Company, as amended and filed and recorded in the office of the Secretary of State, on the 27th day of October, 1886, shall hereafter read as follows:

Article 2. The main line of said railway is to be constructed from the town of Taylor, in Williamson county, by way of the town of Elgin, through the counties of Williamson, Travis and Bastrop, to the town of Bastrop, a distance of about thirty-two miles, as heretofore authorized; thence through the counties of Bastrop, Fayette, Colorado, Austin, Fort Bend, Waller and Harris, to the city of Houston, a distance of about one hundred and thirty miles, with a branch road from a point on said main line in Bastrop county, through the counties of Bastrop, Caldwell and Hays, to an intersection with the International and Great Northern Railroad, at a point in Hays county, a distance of about fifty miles, with the right to erect and maintain along said main line and branch a telegraph line for the use and operation of said road.

In witness whereof, the President and Directors of said Taylor,

Bastrop and Houston Railway Company hereto sign our names, and cause this act to be attested by the Secretary, under the seal of said Company, at its general office in Bastrop, on this 14th day of February, A. D. 1887.

JAS. A. BAKER, President and Director.
J. A. HOOPER, Vice-President and Director.
CHESTER ERHARD, Director.
[L. S.] H. G. FLEMING, Director.

Attest:

CHESTER ERHARD,
Secretary.

[CERTIFICATE].

THE STATE OF TEXAS,
ATTORNEY GENERAL'S OFFICE,
AUSTIN, March 5, 1887.

This is to certify that the Amended Articles of Incorporation of the Taylor, Bastrop and Houston Railway Company were submitted to me on the 5th day of March, 1887, and that having carefully examined the same I find them in accordance with the provisions of chapter 1, title 84, of the Revised Statutes of Texas, and not in conflict with the laws of the United States or of the State of Texas.

J. S. HOGG,
[L. S.] Attorney General.

STATE OF TEXAS,
DEPARTMENT OF STATE.

I, J. M. Moore, Secretary of State of the State of Texas, do hereby certify that the foregoing Amended Charter of the Taylor, Bastrop and Houston Railway Company was this day filed for record in this Department, and the same, with endorsements thereon, is now of record on pages 342, 343, book B of Railroad Charters.

Witness my official signature and the seal of State affixed, at the City of Austin, this 7th day of March, A. D. 1887.

J. M. MOORE,
[L. S.] Secretary of State.

Taylor, Bastrop and Houston Railway Company

TO THE

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY.

CONTRACT OF SALE.

THIS INDENTURE AND CONTRACT, made on the 2d day of December, in the year of our Lord one thousand eight hundred and eighty-six, by and between the TAYLOR, BASTROP AND HOUSTON RAILWAY COMPANY, a corporation created by and under the laws of the State of Texas, party of the first part, and the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, a corporation created under the laws of the States of Kansas and Missouri, and having corporate rights and franchises under the laws of Texas, party of the second part;

WITNESSETH, THAT,

WHEREAS, The railroad of the party of the first part connects with the railroad of the party of the second part at Taylor, Texas;

AND WHEREAS, The party of the second part is the owner of the majority of the capital stock of the party of the first part;

AND WHEREAS, The party of the second part has corporate power and authority to purchase, lease, join stocks and unite, or consolidate with, and to acquire and merge into itself all or any part of the property, rights, privileges and franchises of any connecting railroad Company;

NOW, THEREFORE, THIS INDENTURE AND CONTRACT FURTHER WITNESSETH:

That the said party of the first part, for and in consideration of the sum of one hundred dollars, lawful money of the United States, to it in hand paid at and before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and for other and further lawful considerations hereinafter mentioned, hath merged itself into the party of the second part, under its own proper and corporate name of the Missouri, Kansas and Texas Railway Company, on the terms and conditions herein and hereby agreed upon and contained, by granting, bargaining, selling, aliening, remising, assigning, transferring, conveying and confirming unto the party of the second part, its successors and assigns, all the franchises, corporate rights and privileges of the said party of the first part, its successors and assigns, together with its track, road-bed, railroad, buildings, rolling stock, engines, tolls, bonds, stocks, grants, privileges, property, real and personal, and every right, title and interest in or to any franchise, real or personal, and all rights of every name and kind which the party of the first part possesses, or in which the party of the first part has any right, privilege or interest, situated and being in the State of Texas, or elsewhere; the object and intent of this contract, conveyance and agreement being to so merge the rights, powers and privileges of the party of the first part into the party of the second part, as that the party of the second part, under its own charter, corporate name and organization, shall, without impairing any existing right, exercise in addition thereto all the powers, privileges and franchises, and own and control all the railroads and properties that the party of the first part now exercises or owns, or by its charter or the laws it has the right to own, exercise or control.

Provided, however, that the corporate franchises of the party of the first part to be and remain a corporation, until such time as may be hereafter agreed upon for its dissolution, shall not be impaired or infringed upon by anything contained in this contract and indenture; and

Provided, also, that nothing herein contained is intended to or shall impair any legally existing contract, by mortgage or otherwise, of the party of the first part, and especially the mortgage made and executed to John F. Dillon and Henry B. Henson, Trustees, dated the first day of December, 1886, to secure bonds to be issued from time to time, according to its terms and provisions, subject to which

said mortgage and all bonds that are or may be issued thereunder, this contract and conveyance is taken by said second party hereto. And the said party of the second part hereto, as a further consideration for this contract and conveyance, is to perform and fulfill all the charter obligations of the party of the first part to the State of Texas and to the public.

The corporate existence of the party of the first part shall be maintained, and its power to carry out all existing contracts remains unimpaired.

This conveyance is duly authorized by the corporate action of the party of the first part.

In witness whereof, the said Taylor, Bastrop and Houston Railway Company, party of the first part, has caused this instrument to be subscribed by its Vice-President (its President being absent from the State) and Secretary, and the corporate seal of said Company to be affixed thereto, on this 2nd day of December, A. D. one thousand eight hundred and eighty-six.

THE TAYLOR, BASTROP AND HOUSTON
RAILWAY COMPANY,
By JAS. A. BAKER,
Vice-President.

[L. S.]

CHESTER ERHARD,
Secretary.

THE STATE OF TEXAS, }
County of Harris. }

Before me, Garrett Hardcastle, a Notary Public in and for the county and State aforesaid, on this day personally appeared Jas. A. Baker, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he, as Vice President of the Taylor, Bastrop and Houston Railway Company, executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this 17th day of December, A. D. 1886.

GARRETT HARDCASTLE,
Notary Public,
Harris County, Texas.

[L. S.]

THE STATE OF TEXAS, }
County of Harris. }

I, Alex. Erichson, County Clerk of said county, do hereby certify that the foregoing instrument of writing, with its certificate of authentication, was filed for registration in my office on the 17th day of December, A. D. 1886, at 4.30 o'clock p. m., and duly recorded on the 8th day of January, A. D. 1887, at 4.50 o'clock p. m., in the Record of Deeds of said county, in Book Volume 36, on pages Nos. 210 and 212.

In testimony whereof, witness my hand and official seal, at office, this 8th day of January, 1887.

ALEX. ERICHSON,
County Clerk,
[L. S.] Harris County, Texas.
By ALEX. BARTTLINGCK, Deputy.

THE TAYLOR, BASTROP AND HOUSTON RAILWAY COMPANY.

FIRST MORTGAGE.

THIS INDENTURE, made the first day of December, in the year one thousand eight hundred and eighty-six, between THE TAYLOR, BASTROP AND HOUSTON RAILWAY COMPANY, a corporation organized under and by virtue of the laws of the State of Texas, party of the first part, hereinafter denominated "Railway Company," and JOHN F. DILLON and HENRY B. HENSON, parties of the second part, hereinafter denominated "Trustees."

WHEREAS, The Taylor, Bastrop and Houston Railway Company, to meet the expense of constructing, completing and putting into operation a railway in the State of Texas, which is to extend from the town of Taylor, in Williamson county, through the counties of Williamson, Travis and Bastrop, to the town of Bastrop, thence through the counties of Bastrop, Fayette, Colorado, Austin, Waller and Harris, to the City of Houston, have resolved to issue and negotiate, as by law they are duly authorized, a series of bonds of one thousand dollars each, at the rate of twenty thousand dollars for each mile of road, all of which bear date the first day of December, one thousand eight hundred and eighty-six, and which are made payable to the bearer, on the first day of June, in the year one thousand nine hundred and twenty, for value received, at its agency in the City of New York, with interest from date at the rate of six per cent. per annum, payable semi-annually, on the first days of June and December in each year, on the presentation and surrender of the proper annexed coupons, the principal and interest of said bonds being payable in gold coin of the present weight and fineness, as fixed by the laws of the United States now in force, and which bonds

are also exempt from any income tax that now is or hereafter may be levied or provided for by any law of the United States; which said bonds, and the interest to become due thereon, all are to be equally secured by these presents, although issued at different times, and to be authenticated by a certificate to be signed by the said Trustees, and are to be substantially in the following form:

UNITED STATES OF AMERICA, STATE OF TEXAS.

THE TAYLOR, BASTROP AND HOUSTON RAILWAY COMPANY.

No..... $1,000.

First Mortgage Gold Bond, Interest at Six per Cent. per Annum, Payable Semi-annually.

The Taylor, Bastrop and Houston Railway Company, a corporation organized under and by virtue of the laws of the State of Texas, promises to pay to the bearer, for value received, on the first day of June, in the year one thousand nine hundred and twenty, at its agency in the City of New York, one thousand dollars, with interest from date at the rate of six per centum per annum, payable semi-annually, on the first days of June and December in each year, on presentation and surrender of the proper annexed coupons; the principal and interest of this bond to be paid in gold coin of the present weight and fineness as fixed by the laws of the United States now in force, without diminution on account of any income tax that hereafter may be levied or provided for under any law of the United States.

This bond is one of a series of bonds of one thousand dollars each, numbered from one upward, issued twenty to each mile, all of which are equally secured by a deed of trust, bearing date the first day of December, one thousand eight hundred and eighty-six, executed by said Railway Company unto John F. Dillon and Henry B. Henson, Trustees, conveying all and singular the entire line of said Company's railway, built and to be built, beginning at the town of Taylor, in Williamson county, by way of the town of Elgin, through the counties of Williamson, Travis and Bastrop, to the town of Bastrop; thence through the counties of Bastrop, Fayette, Colorado, Austin, Waller and Harris, to the City of Houston, and all other lines of railway that may hereafter be acquired or constructed by the said Railway Company under its present charter or any amended charter that may be hereafter adopted; together with all the rolling stock,

equipments, materials, all the rights of way and track, depots and shop grounds, tenements and hereditaments, rights and franchises.

Upon default in the payment of interest on this bond for six months after it becomes payable and has been demanded, the trustees may, subject to the provisions of the said mortgage, declare the principal of all the bonds immediately payable, and must do so if required by the holders of one-fourth of such bonds outstanding.

This bond shall pass by delivery or by transfer on the books of said Railway Company, and after a registration of the ownership of said bond, certified thereon by the transfer agent of said Railway Company, no transfer of said bond, except upon the transfer book of said Company, shall be valid, unless the transfer shall be to bearer, which transfer to bearer shall again render said bond transferable by delivery, and said bond shall continue subject to successive registration and transfer to bearer as aforesaid, at the option of each successive holder, provided the coupons issued with the same, and not due, are attached to said bond when such registration is desired, and not otherwise.

This bond shall not become obligatory until the certificate endorsed thereon is signed by the said Trustees, or their successor or successors in the trust.

In witness whereof, the said Taylor, Bastrop and Houston Railway Company has caused this bond to be subscribed by its President and Secretary, and its corporate seal affixed hereto, this first day of December, in the year one thousand eight hundred and eighty-six.

THE TAYLOR, BASTROP AND HOUSTON
RAILWAY COMPANY.

By

——— ———President.

——— ———Secretary.

Coupon No. 1.

The Taylor, Bastrop and Houston Railway Company will pay to the bearer at its agency in the City of New York, thirty dollars in gold coin on the first day of June, 1887, being six months interest due on that day on Bond No. .....

——— ———Secretary.

TRUSTEES' CERTIFICATE.

It is hereby certified that the Taylor, Bastrop and Houston Railway Company has executed to John F. Dillion and Henry B. Henson, Trustees, a mortgage or deed of trust, as described in the within bond, to secure the same.

_____ _____

_____ _____

Trustees.

NOW THEREFORE, THIS INDENTURE WITNESSETH:

That the said Taylor, Bastrop and Houston Railway Company, in order to better secure the payment of the bonds proposed to be issued by the said Railway Company, as hereinbefore set forth, with the interest thereon, unto the person and persons, body and bodies politic and any of them, his, her or their executors, administrators, successors or assigns, and in consideration of the sum of one dollar, by the said John F. Dillion and Henry B. Henson, Trustees, paid to the said Railway Company, at and before the signing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained, sold, released, conveyed and confirmed, and by these presents does hereby grant, bargain, sell, release, convey and confirm unto the said John F. Dillon and Henry B. Henson, and to their successor or successors in this trust, forever, all and singular the said Taylor, Bastrop and Houston Railway Company's railway, built and to be built, beginning at the Town of Taylor, in Williamson county, by way of the town of Elgin, through the counties of Williamson, Travis and Bastrop, to the town of Bastrop; thence through the counties of Bastrop, Fayette, Colorado, Austin, Waller and Harris, to the city of Houston; and all other lines of railway that hereafter may be acquired or constructed by the said Railway Company under its present charter, or any amended charter that may hereafter be adopted, together with all side tracks, turn outs, rolling stock, equipments and material; all rights of way and track, depot and shop grounds, tenements and hereditaments, rights and franchises, including and meaning to include all the property, real and personal, now acquired, or which hereafter may be acquired, by the said Railway Company, in the State of Texas, used for and pertaining to the operation of said railway.

To have and to hold the said property, things, rights and franchises hereby conveyed, or intended to be, unto the said trustees.

or their successor or successors, in trust for the owners and holders of the said bonds, or any of them, subject to the terms and stipulations of said bonds, and of the coupons thereto attached, and subject also to the possession, control and management of the Directors of the said Railway Company, so long as said Company shall well and truly perform all and singular the stipulations of said bonds and the covenants of this deed.

That upon the payment of the principal and interest of all the bonds hereby secured, the estate hereby granted to the said party of the second part shall be void, and the right to all the real and personal property hereby granted and conveyed shall revert to, and re-vest in the said Railway Company, its successors or assigns, in law and equity, without any acknowledgment of satisfaction, reconveyance, surrender, re-entry, or other act.

That in case the said Railway Company, its successors or assigns, shall fail to pay the interest on any of said bonds, at the time when the same shall become due and payable, according to the tenor thereof, and shall continue in such default for six months after such payment has been demanded, at its or their agency in the City of New York, then and thereupon the principal of all the bonds hereby secured shall be and become immediately due and payable, provided the said trustees give written notice to the party of the first part, its successors or assigns, of their option to that effect, while such default continues, which notice they shall be bound to give if required in writing to do so, by the holders of twenty-five per centum of said bonds then outstanding; and that, in such case, or upon the principal of said bonds becoming in any other way due and payable, and remaining unpaid, in whole or in part, after demand thereof, the said trustees, or their successor or successors in the trust, may, in their discretion, and shall, upon the request of the holders of fifty per centum of said bonds then outstanding, with or without entry or foreclosure, take actual possession of said railroad, and of all and singular the property, things and effects hereby conveyed, and personally, or by attorney, manage and operate the same, and receive all the tolls, rents, income and profits thereof, until such time as the said bonds and interest thereon are fully paid or satisfied, and shall apply the money so received by it, first, to the expense of the trust hereby executed, the management of the said railroad and its appurtenances, and the needful repairs thereof; next, to the payment of interest overdue upon the said bonds, and interest upon delayed interest, and afterwards to the payment of the principal of said bonds. And the

said trustees, or their successor or successors in the trust, upon becoming entitled to take possession of the railroad and property aforesaid, may, in their discretion, and shall, on the written request of the holders of at least one-half of the bonds then unpaid and outstanding, cause the said premises so mortgaged to be sold, either as an entirety, or in such parcels as they shall deem necessary or proper, having due regard to the interests of all parties, to the highest bidder, at public auction, in the City of Austin, Texas, giving at least sixty days notice of the time, place, and terms of such sale, and of the specific property to be sold, and whether the same will be sold as an entirety or in parcels, by publishing such notice in one or more newspapers in the City of Austin, and in one or more newspapers in the City of New York, once in each week during the term of sixty days, and that, upon receiving the purchase money therefor, the said trustees, or their successors in the trust, shall execute to the purchaser or purchasers thereof, a good and sufficient deed of conveyance, in fee simple, which sale and conveyance shall forever be a bar against the party of the first part, its successors and assigns, and all persons claiming under them, of all right, estate, interest or claim in or to the premises, property, things, franchises, privileges or immunities so sold, or any part thereof, whether the said trustees are in possession thereof or not, and the receipt of the said trustees shall be a full and sufficient discharge to each purchaser, and no purchaser holding such receipt shall be liable for the proper application of the purchase money, or in any way bound to see that the same is applied to the uses of this trust, or in any manner answerable for its loss or misapplication, or bound to inquire into the authority for making such sale, and such sale to a purchaser in good faith shall be valid, whether said notice is given or not, and whether default in payment has been made or not.

That the said trustee shall, after deducting from the proceeds of such sale the cost and expenses thereof, and of the execution of this trust, and all payments for taxes, assessments and counsel fees, and their own reasonable compensation, apply so much of the proceeds as may be necessary to the payment of the principal and interest remaining unpaid upon said bonds and coupons, together with interest upon over-due coupons down to the time of sale, without giving preference to either principal or interest; it being the intention of this indenture that so long as the railroad and its appurtenances shall be managed by the trustees or a receiver as a going concern, the income shall be applied to the payment of interest in preference

to the principal, but that, after a sale of the railroad and its appurtenances, no such preference shall be made in the distribution of the proceeds.

That upon any sale of the said premises, whether by the trustees or under decree of the Court, the holders of the bonds hereby secured, or any of them, or the said trustees on behalf of all the bondholders, shall have a right to purchase upon equal terms with other persons, and it shall be the duty of the said trustees, if so required in writing, a reasonable time before such sale, by the holders of a majority in value of the outstanding bonds secured hereby, and upon being offered at the same time, adequate indemnity against all liability to be incurred thereby, to make such purchase on behalf of all the bondholders, at a reasonable price, if part only of the property hereby conveyed is sold, or in case the whole property is sold, at a price not exceeding the whole amount, principal and interest, due or accruing upon said bonds, together with the expenses of the proceedings and sale; and the bonds secured by this mortgage shall be receivable at such sale as cash, for the amount of cash which would be payable on such bonds out of the proceeds of such sale.

That in case of the purchase of said property, or any part thereof, by the trustees, the same shall be held for the benefit of all the bondholders in proportion to their respective interests in the bonds, and that the property thus purchased shall be conveyed to such persons or corporations as may be designated by a majority in value of the bondholders present at a meeting of the bondholders in the City of New York, regularly called by the trustees, upon reasonable public notice published in two newspapers of that city; provided that such conveyance shall be made on such terms as will, in the judgment of said trustees, secure to each and every bondholder his just proportion of interest in the property purchased as aforesaid.

That it is hereby expressly agreed that in no case shall any claim, benefit or advantage be taken by the said Railway Company, its successors or assigns, of any valuation, appraisement, extension or relief laws, to prevent such entry or sale as aforesaid, and that nothing herein contained shall be construed as limiting the right of the said trustees to apply to the court for judgment or decree of foreclosure and sale under this indenture, or for the usual relief in the course of such proceedings; and the said trustees may, in their discretion, apply to any competent court for relief by way of foreclosure or otherwise, if so advised by counsel, instead of taking possession of or selling the said property when required to do so by bondholders.

That the said Railway Company may dispose of the current net revenue and income of all the said property and railway hereby conveyed, in such manner as it shall deem best, until default shall be made in the payment of the interest or principal of said bonds, or of any one or more of them, and shall have the right to sell and dispose of any such real estate or other property as it may own or acquire, which may not be needed or required for the purpose and business of said railway, and which sale and conveyance of said property shall transfer the said property and title free from the incumbrance of this mortgage or deed of trust, and to change its track and make any and all alterations necessary for the benefit of the same.

That the bonds secured herein, except as to the first thirty-five miles, namely, bonds to the amount of seven hundred thousand dollars, which the trustees are hereby authorized and directed to certify upon demand of the President of the party of the first part, are to be issued at the rate only of twenty thousand dollars per mile of completed road, as follows: that is to say, one hundred bonds may be issued for each five miles of railway as the same may be completed, on the affidavit of the Chief Engineer of said Railway Company, that five miles have been so completed and are ready for use. And it is agreed between the parties hereto, and made part of the contract with the holders of the bonds secured hereby, that the trustees herein shall not be required to look beyond the affidavit of the Chief Engineer, as herein provided, and shall not be responsible in any event for any act done in pursuance of such affidavit.

That it is further mutually agreed by and between the parties hereto, and is hereby declared to be a condition upon which the said party of the second part and their successor or successors in the trust hereby created have assented to these presents and accepted this trust, that the said trustees and their successors in this trust shall not in any manner be held responsible for the act of any co-trustee, or any person employed by them, unless guilty of culpable negligence in the selection of such employe; nor shall the trustees be answerable except for his or their own willful default.

That the party of the second part, or their successor or successors, shall be authorized to pay such reasonable compensation as they shall deem proper, to all the attorneys, officers, agents, servants and employes whom they may reasonably employ in the management of this trust; and that the said trustees, and their successor or successors, shall have and be entitled to just compensation for all services they may render in connection with the trust hereby created, to be paid

by the party of the first part or out of the trust estate.

That the bonds hereinbefore described, and hereby secured, shall pass by delivery or by transfer on the books of said Railway Company, and that after the registration of the ownership of said bonds, certified thereon by the Transfer Agent of said Railway Company, no transfer of said bonds, except upon the transfer books of said Company, shall be valid, unless the last transfer shall be to bearer, which transfer to bearer shall again render said bonds transferable by delivery; and that said bonds shall continue subject to successive registration and transfer to bearer as aforesaid, at the option of each successive holder, provided the coupons issued with the same, and not due, are attached to said bonds, when such registration is desired, and not otherwise; and to this end the said Railway Company shall keep in the City of New York a registration or transfer office, with the necessary books, in which the registration and transfer of said bonds may be made as above provided.

That for the purpose of designating the rolling stock that shall belong to the line of railway hereby mortgaged, it as agreed by and between the parties hereto, that the said Railway Company will mark, in some substantial manner, all engines and cars of each and every class purchased by it, with either the name of said Company, or the initials of its name.

That the Railway Company, its successors and assigns, further covenants and agrees with the said trustees, and their successors in the trust, to make, execute and deliver all such further deeds, instruments and assurances as may from time to time be necessary, and as the said trustees, or their successors in the trust, may be advised by counsel learned in the law, to be necessary for the better securing to the party of the second part, their successor or successors in the trust, the premises hereby conveyed, and for carrying out the objects and purposes of this indenture. That the said Railway Company covenants and agrees with the said trustees and their successors in the trust, that it will, from time to time, pay all the expenses of this trust, including the compensation and expenses of the transfer agent herein provided for.

In case a vacancy shall occur in this trust, from any cause whatever, it shall be lawful for the said Railway Company, or any of the bondholders, to apply in writing to the then Chief Justice of the Supreme Court of the State of Texas to appoint another trustee or trustees to supply the vacancy; and in the event that said application be made by any of the bondholders, then and in that case, notice of

said application shall be given to said Railway Company at least ten days before said vacancy shall be filled; and the said Chief Justice is hereby authorized, upon application and notice as aforesaid, without legal proceedings, to appoint one or two trustees to fill the vacancy; and the trustee or trustees so appointed shall be vested with all the title, powers, duties and estates possessed under this instrument by the said John F. Dillon and Henry B. Henson, trustees herein named.

In witness whereof the said Taylor, Bastrop and Houston Railway Company has caused this instrument to be subscribed in its name by its Vice President [the President being absent from the State] and Secretary and attested by its corporate seal; and the said trustees, for the purpose of testifying to their acceptance of the trust hereby created, have also subscribed their names.

THE TAYLOR, BASTROP AND HOUSTON
RAILWAY COMPANY,

By JAS. A. BAKER,
Vice President.

[SEAL]

CHESTER ERHARD,
Secretary.

JOHN F. DILLON,
HENRY B. HENSON.

STATE OF NEW YORK, }
County of New York, } ss:

Be it known, that on the 30th day of November, one thousand eight hundred and eighty-six, before me, W. W. Cotton, a Notary Public in and for the State of New York, duly commissioned and sworn, personally came and appeared John F. Dillon and H. B. Henson, to me personally known, and known to me to be the same persons described in, and who executed the within mortgage or trust indenture, and said John F. Dillon and said H. B. Henson severally acknowledged the same to be their act and deed; and that they executed the same for the purpose and consideration therein expressed.

In testimony whereof, I have hereunto subscribed my name and affixed my seal of office, the day and year last above written.

W. W. COTTON,
Notary Public Kings County, N. Y.

[L. S.]

Certificate filed in New York County.

STATE OF TEXAS, }
County of Harris. }

Before me, H. M. Curtin, a Notary Public in and for said State and county, on this day personally appeared Jas. A. Baker, Vice President and acting President of the Taylor, Bastrop and Houston Railway Company, personally known to me to be the person whose name is signed to the foregoing instrument of writing, and acknowledged to me that he had signed the same as Vice President and acting President of the Taylor, Bastrop and Houston Railway Company, for the purposes and consideration therein expressed.

Given under my hand and seal of office at Houston, Texas, this thirteenth day of December, A. D. 1886.

H. M. CURTIN,
[L. S.] Notary Public Harris County, Texas.

THE STATE OF TEXAS, }
County of Harris. }

I, Alex. Erichson, County Clerk of said county, do hereby certify that the foregoing instrument of writing, with its certificate of authentication, was filed for registration in my office on the 17th day of December, A. D. 1886, at 11.45 o'clock a. m., and duly recorded on the 17th day of January, A. D. 1887, at 1.00 o'clock p. m., in the Records of Mortgages of said county, in book, volume 14, on pages Nos. 161–171, inclusive.

In testimony whereof, witness my hand and official seal, at office, this 17th day of January, 1887. ALEX. ERICHSON,
County Clerk Harris County, State of Texas.
[L. S.] By ALEX. BARTTLINGCK, Deputy.

THE TAYLOR, BASTROP AND HOUSTON

RAILWAY COMPANY.

Supplemental Mortgage.

WHEREAS, The Taylor, Bastrop and Houston Railway Company did, heretofore, on the first day of December, 1886, execute and deliver to John F. Dillon and Henry B. Henson, as trustees, its mortgage conveying the entire line of said Company's railway, built and to be built, not only as contemplated under its charter, as then existing, but also all other lines of railway that thereafter may be acquired, or constructed under its existing charter, or any amended charter that thereafter might be adopted, to secure a series of bonds of one thousand dollars each, issued twenty to each mile of railway, constructed and to be constructed; and,

WHEREAS, The trustees in said mortgage named, were by said mortgage authorized, upon the filing with them of a certificate, under oath of the Chief Engineer of said Railway Company, certifying that a portion or section of five miles of any such road had been completed and ready for use, to issue therefor bonds of one thousand dollars each, and at a rate not greater than the said rate of twenty per mile, for each mile of road so certified, as aforesaid, to have been constructed and ready for use; and,

WHEREAS, The Taylor, Bastrop and Houston Railway Company, on the 7th day of March, 1887, filed in the office of the Secretary of State of the State of Texas, in the manner required by law, an amendment to its charter, authorizing it to construct a branch road from a point on its main line in Bastrop county, through the counties of

Bastrop, Caldwell and Hays, to an intersection with the International and Great Northern Railroad, at a point in Hays county, a distance of about fifty miles, and is now engaged in the construction of said branch road; and,

WHEREAS, The Taylor, Bastrop and Houston Railway Company intends to make a further issue of its bonds, to meet the expense of constructing, completing and putting into operation the said branch railway, as authorized by its amended charter of March 7th, 1887, and being desirous the more fully to secure the holders of the bonds so to be issued, has determined, pursuant to the covenants for further assurance in said mortgage contained, and by virtue of resolutions of its stockholders and Board of Directors, duly passed, to execute, by way of further assurance, this additional or supplemental mortgage to said trustees, to secure a further issue of bonds, numbered from A 1 upwards, each of which bonds is substantially in the form following:

UNITED STATES OF AMERICA.

STATE OF TEXAS.

THE TAYLOR, BASTROP AND HOUSTON RAILWAY COMPANY.

No. $1,000

First Mortgage Gold Bond. Interest at Six per Cent. per Annum. Payable Semi-Annually.

THE TAYLOR, BASTROP AND HOUSTON RAILWAY COMPANY, a corporation organized under and by virtue of the laws of the State of Texas, promises to pay to the bearer, for value received, on the first day of June, in the year one thousand nine hundred and twenty, at its agency in the City of New York, one thousand dollars, with interest from date at the rate of six per centum per annum, payable semi-annually, on the first days of June and December in each year, on presentation and surrender of the proper annexed coupons; the principal and interest of this bond to be paid in gold coin of the present weight and fineness, as fixed by the laws of the United States now in force, without diminution on account of any income tax that hereafter may be levied or provided for, under any law of the United States. This bond is one of a further issue of bonds, numbered con-

secutively from A 1 upwards, all of which are of like tenor, secured by the First Mortgage or deed of trust of the said Railway Company, dated December 1st, 1886, whereby said Company conveyed to John F. Dillon and Henry B. Henson, in trust for the holders of all the bonds secured thereby, the entire railways, rolling stock, equipments, materials, and all the rights of way and track, depots and shop grounds, tenements and hereditaments, rights and franchises, as specified in said deed of trust.

Upon default in the payment of interest on this bond for six months after it becomes payable and has been demanded, the trustees may, subject to the provisions of the said mortgage, declare the principal of all the bonds immediately payable, and must do so if required by the holders of one-fourth of such bonds outstanding.

This bond shall pass by delivery or by transfer on the books of said Railway Company, and after a registration of the ownership of said bond, certified thereon by the transfer agent of said Railway Company, no transfer of said bond, except upon the transfer book of said Company, shall be valid, unless the transfer shall be to bearer, which transfer to bearer shall again render said bond transferable by delivery, and said bond shall continue subject to successive registration and transfer to bearer as aforesaid, at the option of each successive holder, provided the coupons issued with the same, and not due, are attached to said bond when such registration is desired, and not otherwise.

This bond shall not become obligatory until the certificate endorsed thereon is signed by the said Trustees, or their successor or successors in the trust.

In witness whereof, the said Taylor, Bastrop and Houston Railway Company has caused this bond to be subscribed by its President and Secretary, and its corporate seal affixed hereto, this first day of December, in the year one thousand eight hundred and eighty-six.

THE TAYLOR, BASTROP AND HOUSTON
RAILWAY COMPANY,

By

——— ———President.

——— ———Secretary.

COUPON.

The Taylor, Bastrop and Houston Railway Company will pay to the bearer at its agency in the City of New York, thirty dollars in gold coin on the first day of June, 18 , being six months interest due on that day on Bond No.....

——— ———Secretary.

TRUSTEES' CERTIFICATE.

It is hereby certified that the Taylor, Bastrop and Houston Railway Company has executed to John F. Dillon and Henry B. Henson, Trustees, a mortgage or deed of trust, as described in the within bond, to secure the same.

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Trustees.

NOW THEREFORE, THIS INDENTURE, made the day of 1887, by and between the Taylor, Bastrop and Houston Railway Company, party of the first part, and John F. Dillon and Henry B. Henson, parties of the second part, witnesseth:

That in consideration of the premises, and of the sum of one dollar to the party of the first part in hand paid by the parties of the second part, the receipt whereof is hereby acknowledged, the said party of the first part, in order the more fully to secure the payment of the principal and interest of the bonds so as aforesaid issued, and to be issued, by it, and in order to bring in and subject to the conditions of the aforesaid mortgage the said branch railway of the said party of the first part in this indenture, before described, and for the purpose and with the intent of securing the bonds, in said mortgage, of December 1st, 1886, as well as the bonds in the mortgage hereinbefore described, equally and alike upon the property of the party of the first part, with interest due and to become due thereon, hath granted, bargained, sold, released, conveyed and confirmed, and by these presents doth grant, bargain, sell, release, convey and confirm to the said parties of the second part, as trustees, their successor or successors in the trust created by said mortgage, all and singular the branch railway of the said party of the first part, now constructed and to be hereafter constructed, extending from a point on its main line, in Bastrop county, through the counties of Bastrop, Caldwell

and Hays, to an intersection with the International and Great Northern Railroad, at a point in Hays county, a distance of about fifty miles, together with all side tracks, turn outs, rolling stock, equipments and materials, all rights of way and tracks, depot and shop grounds, tenements and hereditaments, rights and franchises.

To have and to hold the above described premises, property, rights franchises, and every part and parcel thereof, with the appurtenance, unto the said parties of the second part and their successors, in trust nevertheless, and for the equal prorata benefit and security of all and every the persons or corporations who may be, or may become, holders of any of the bonds issued hereunder, or under the mortgage aforesaid, of date first December, 1886, or any further supplemental mortgage thereto executed in conformity with its provisions, without any preference or priority of any one bond over another, or by reason of priority in time of issue or negotiation thereof, or otherwise, and for all of the uses and purposes declared and expressed in the aforesaid mortgage, dated first December, 1886, all of the provisions of which remain in full force and effect, the same as if this indenture had not been made, and these two indentures shall be read together and construed as one instrument.

In witness whereof, the said Taylor, Bastrop and Houston Railway Company has caused this instrument to be subcribed by its President and Secretary, and attested by its corporate seal; and the said trustees, for the purpose of testifying to their acceptance of the trust hereby created, have also subscribed their names.

TRINITY AND SABINE

RAILWAY COMPANY.

The Trinity and Sabine Railway Company was organized and incorporated under the general laws of the State of Texas, by Articles of Association, acknowledged the 27th of September, 1881, and which were filed in the Department of State September 28th, 1881.

Under its charter, it was empowered to construct a line of railway from the town of Trinity, upon the line of the International and Great Northern Railroad, in Trinity county, Texas, through the counties of Trinity, Polk and Tyler, in an easterly direction, a distance of about seventy-five (75) miles, to a point on the Neches river at or near the junction of the Angelina river.

On the 15th day of December, 1881, the Trinity and Sabine Railway Company executed and delivered to the Mercantile Trust Company a mortgage, conveying the entire line of said Company's railway, built and to be built, and all other lines of railway that should thereafter be acquired or constructed by said Company, under its then charter, or any amended charter that might thereafter be adopted, together with all side tracks, turn-outs, rolling stock, equipments, and materials, all rights of

way and tracks, depot and shop grounds, tenements, hereditaments, rights and franchises, including, and meaning to include, all the property, real and personal, then owned or that thereafter might be acquired by the said Company, in the State of Texas, used for or pertaining to the operation of said railway.

The mortgage was executed to secure a series of bonds of said Company, of date December 1st, 1882, of one thousand dollars each, issued twenty to each mile, all of which were equally secured by said mortgage, or deed of trust, and bearing interest at the rate of six per cent. per annum, payable semi-annually; bonds payable on the 1st day of January, 1902.

By indenture and contract, made on the 9th day of December, 1882, the Trinity and Sabine Railway Company granted and conveyed to the Missouri, Kansas and Texas Railway Company all of its franchises, corporate rights and privileges, together with its track, road-bed, buildings, rolling stock, engines, tools, bonds, stocks, grants, property, real and personal, and every right, title and interest in or to any franchise or property, real or personal, and all rights, of every name and kind, which the said Trinity and Sabine Railway Company possessed. This contract and conveyance was made and executed in pursuance of a resolution passed at a meeting of the stockholders.

The road was completed from Trinity to Colmesniel, its present terminus, a distance of 66.6 miles, in the latter part of 1883.

ARTICLES OF INCORPORATION

OF THE

TRINITY AND SABINE RAILWAY COMPANY.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned subscribers to the stock of the Railway Company hereinafter designated, being desirous of forming a corporation for the purpose of constructing, owning, maintaining and operating a railway pursuant to the provisions of the laws of the State of Texas, do hereby adopt the following articles of incorporation:

Article 1. The name of said corporation shall be the Trinity and Sabine Railway Company.

Article 2. It is intended to construct the proposed railway from the town of Trinity, upon the line of the International and Great Northern Railroad, in Trinity county, through the counties of Trinity, Polk and Tyler, in an easterly direction, a distance of about seventy-five miles, to a point on Neches river, at or near the junction of the Angelina river.

Article 3. The office of the said Railway Company for transacting business, and at which a record of stock will be kept and transfers of same will be made, will be located at Trinity, in Trinity county, Texas.

Article 4. The existence of said corporation shall commence at the date of the filing of these articles of incorporation in the office of the Secretary of State, and shall continue for the period of fifty years thereafter, with the right of renewal from time to time, as prescribed by the laws under which this corporation is formed.

Article 5. The amount of the capital stock of said corporation shall be one million one hundred and twenty-five thousand dollars, divided into eleven thousand two hundred and fifty shares of one hundred dollars each.

Article 6. The Company to be incorporated is formed of the several persons, names and residences as follows: R. S. Hayes, St. Louis, Mo., H. M. Hoxie, St. Louis, Mo., D. S. H. Smith, St. Louis, Mo., Ira. H. Evans, Palestine, Texas, N. W. Hunter, Palestine, Texas, John W. Armstrong, Palestine, Texas, G. J. Gooch, Palestine, Texas, Allen McCoy, Palestine, Texas, George M. Dilley, Palestine, Texas, A. R. Howard, Palestine, Texas.

Article 7. The corporate powers of said corporation shall be vested in a Board of Directors, consisting of seven. They shall elect from their own number a President and Vice-President. The Board of Directors shall also select a Treasurer, Secretary and such other subordinate officers as the corporation may by its by-laws designate. The following named persons shall constitute the first Board of Directors, viz.: Ira H. Evans, Allen McCoy, G. J. Gooch, A. R. Howard, D. S. H. Smith, H. M. Hoxie and R. S. Hayes.

Article 8. The number of shares into which the capital stock of this corporation shall be divided is eleven thousand two hundred and fifty of one hundred dollars each.

Witness our hands this —— day ——, 188–.

(Signed) R. S. Hayes,
H. M. Hoxie,
D. S. H. Smith,
Ira H. Evans,
N. W. Hunter,
Jno. W. Armstrong,
G. J. Gooch,
Allen McCoy,
Geo. M. Dilley,
A. R. Howard.

THE STATE OF TEXAS, }
County of Anderson. }

Before me, John N. Link, a Notary Public in and for the county and State aforesaid, duly qualified, sworn and acting in and for said county, this day personally appeared D. S. H. Smith, Ira H. Evans and A. R. Howard, each of whom is to me personally known to be a Director named in the Articles of Incorporation of the Trinity and Sabine Railway Company, and each of whom on oath says that he is a Director named in said Articles of Incorporation, and that the amount of one thousand dollars for every mile of such proposed road has been subscribed in good faith, and that five per cent. of the amount subscribed has been actually paid to the Directors named in such articles.

(Signed) D. S. H. SMITH,
IRA H. EVANS,
A. R. HOWARD.

Subscribed and sworn to before me, the 27th day of September, 1881. Witness my hand and notarial seal.

(Signed) J. N. LINK,
[L. S.] Notary Public Anderson County, Texas.

[CERTIFICATE.]

ATTORNEY GENERAL'S OFFICE, }
AUSTIN, Texas, September 28, 1881. }

This is to certify that the Articles of Incorporation of the Trinity and Sabine Railway Company were submitted to me on the twenty-eighth day of September, 1881, and that having carefully examined the same I find them in accordance with the provisions of chapter one, title eighty-four, of the Revised Statutes of Texas, and not in conflict with the laws of the United States or of the State of Texas.

(Signed) J. H. MCLEARY,
[L. S.] Attorney General.

[ENDORSED.]

Articles of Incorporation of the Trinity and Sabine Railway Company. Filed in the Department of State, September 28th, 1881, at 2.30 o'clock p. m.

(Signed) J. W. BOWMAN,
Secretary of State.

THE STATE OF TEXAS,
DEPARTMENT OF STATE.

I, J. J. Butts, Acting Secretary of State for the State of Texas, do hereby certify that the foregoing is a true copy of the original charter of the Trinity and Sabine Railway Company, with the endorsements thereon, as now appears of record in this department.

Witness my official signature, and the seal of State affixed, at the City of Austin, this 9th day of November, A. D. 1889.

J. J. BUTTS,
[L. S.] Acting Secretary of State.

TRINITY AND SABINE RAILWAY COMPANY.

FIRST MORTGAGE.

DECEMBER 15th, 1881.

THIS INDENTURE, made the fifteenth day of December, in the year one thousand eight hundred and eighty-one, between THE TRINITY AND SABINE RAILWAY COMPANY, a corporation organized under and by virtue of the laws of the State of Texas, party of the first part, hereinafter denominated Railway Company, and THE MERCANTILE TRUST COMPANY, party of the second part, hereinafter denominated Trustee.

WHEREAS, The said Trinity and Sabine Railway Company, to meet the expense of constructing, completing, and putting into operation a railway in the State of Texas, which is to extend from the town of Trinity upon the line of the International and Great Northren Railroad, in Trinity county, Texas, through the counties of Trinity, Polk, and Tyler, in an easterly direction to a point on the Neches river, at or near the junction of the Angelina river, a distance of about seventy-five miles, has resolved to issue and negotiate, as by law and action of the stockholders they are duly authorized, a series of bonds of one thousand dollars each, at the rate of twenty thousand dollars to each mile of road, all of which bear date the fifteenth day of December, in the year one thousand eight hundred and eighty-one, and which are made payable to the Mercantile Trust Company, of New York, or bearer, on the first day of January, in the year one thousand nine hundred and two, for value received, at its agency in the City of New York, with interest from date at the rate of six per centum per annum, payable

semi-annually on the first days of January and July in each year, on the presentation and surrender of the proper annexed coupons, the principal and interest of said bonds being payable in gold coin of the present weight and fineness, as fixed by the laws of the United States now in force, and which bonds are also exempt from any income tax that now is or hereafter may be levied or provided for by any law of the United States; which said bonds and the interest to become due thereon, all are to be legally secured by these presents, although issued at different times, and to be authenticated by a certificate to be signed by the said trustee, and are to be substantially in the following form:

UNITED STATES OF AMERICA.

STATE OF TEXAS.

THE TRINITY AND SABINE RAILWAY COMPANY.

No. ..... $1,000.

First Mortgage Sinking Fund Gold Bearing Bond, Interest at Six per Cent. per Annum, Payable Semi-Annually.

The Trinity and Sabine Railway Company, a corporation organized under and by virtue of the laws of the State of Texas, promises to pay to the Mercantile Trust Company, or bearer, for value received, on the first day of January, in the year one thousand nine hundred and two, at its agency in the City of New York, one thousand dollars, with interest from said date at the rate of six per centum per annum, payable semi-annually, on the first days of January and July in each year, on presentation and surrender of the proper annexed coupons; the principal and interest of this bond to be paid in gold coin of the present weight and fineness, as fixed by the laws of the United States now in force, without any diminution on account of any income tax that hereafter may be levied or provided for, under any law of the United States.

This bond is one of a series of bonds of one thousand dollars each, numbered from one upwards, issued twenty to each mile, all of which are equally secured by a deed of trust, bearing date the fifteenth day of December, A. D., eighteen hundred and eighty-one, executed by said Company unto the Mercantile Trust Company of New York, trustee, conveying all and singular the en-

tire line of said Company's railway, built and to be built, beginning at the town of Trinity upon the line of the International and Great Northern Railroad in Trinity county, Texas, extending through the counties of Trinity, Polk and Tyler in an easterly direction, a distance of about seventy-five miles, to a point on the Neches river, at or near the junction with the Angelina river; and all other lines of railway that may hereafter be acquired or constructed by the said Company, under its present charter or any amended charter that may be hereafter adopted, together with all the rolling stock, equipments, materials, all rights of way, and tracks, depots, and shop grounds, tenements, and hereditaments, rights, and franchises. Upon default in the payment of interest on this bond for six months after it becomes payable and has been demanded, the trustee may, subject to the provisions of the said mortgage, declare the principal of all the bonds immediately payable, and must do so if required by the holders of one-fourth of all such bonds outstanding.

This bond shall pass by delivery or by transfer on the books of the said Railway Company, and after a registration of the ownership of said bond, certified thereon by the transfer agent of said Railway Company, no transfer of said bonds, except upon the transfer books of said Company, shall be valid unless the transfer shall be to bearer, which transfer to bearer shall again render said bonds transferable by delivery, and said bond shall continue subject to successive registration and transfer to bearer as aforesaid, at the option of each successive holder, provided the coupons issued with the same, and not due, are attached to said bond when such registration is desired, and not otherwise.

This bond shall not become obligatory until the certificate indorsed hereon is signed by the said trustee or its successor in the trust.

In witness whereof, the said Trinity and Sabine Railway Company has caused this bond to be subscribed by its President and Secretary, and its corporate seal affixed thereto, this fifteenth day of December, in the year eighteen hundred and eighty-one.

THE TRINITY AND SABINE RAILWAY COMPANY,

——— ———President.

——— ———Secretary.

COUPON.

The Trinity and Sabine Railway Company will pay to the bearer

at its agency in the City of New York, thirty dollars in gold coin on , being six months interest due on that day on Bond No.....

——— ———Secretary.

TRUSTEES' CERTIFICATE.

It is hereby certified that the Trinity and Sabine Railway Company has executed to the Mercantile Trust Company of New York, a mortgage or deed of trust, as described in the within bond, and that no more of such bonds have been certified to by the undersigned than are authorized by said deed of trust.

THE MERCANTILE TRUST COMPANY,

Trustee.

By ——— ———, President.

NOW THEREFORE THIS INDENTURE WITNESSETH: That the said Trinity and Sabine Railway Company, in order to better secure the payment of the bonds proposed to be issued by the said Company, as hereinbefore set forth, with the interest thereon, unto the person and persons, body and bodies politic and corporate, who may become the holder and holders of said bonds, or any of them, his, her or their executors, administrators, successors or assigns, and in consideration of the sum of one dollar, by the said Mercantile Trust Company paid to the said Railway Company, at and before the signing and delivery hereof, the receipt whereof being hereby acknowledged, has granted, bargained, sold, released, conveyed and confirmed, and by these presents does hereby grant, bargain, sell, release, convey and confirm unto the said The Mercantile Trust Company, and to its successor or successors in this trust, forever, all and singular the said Trinity and Sabine Railway Company's railway, built and to be built, beginning at the town of Trinity, upon the line of the International and Great Northern Railroad, in Trinity county, Texas, extending through the counties of Trinity, Polk and Tyler, in an easterly direction, a distance of about seventy-five miles, to a point on the Neches river, at or near the junction with the Angelina river; and all other lines of railway that may hereafter be acquired or constructed by the said Railway Company under its present charter, or any amended charter that hereafter may be adopted, together with all side tracks, turn-outs, rolling stock, equipments and materials; all rights of way and tracks, depot and shop grounds, tenements,

hereditaments, rights and franchises, including and meaning to include all the property, real and personal, now acquired or which hereafter may be acquired by the said Company, in the State of Texas, used for and pertaining to the operation of said railway;

To have and to hold the said property, things, rights, and franchises hereby conveyed, or intended so to be, unto the said The Mercantile Trust Company or its successor or successors, in trust for the owners and holders of the said bonds, or any of them, subject to the terms and stipulations of said bonds, and of the coupons thereto attached, and subject also to the possession, control and management of the Directors of the said Railway Company, so long as said Company shall well and truly perform all and singular the stipulations of said bonds and the covenants of this deed;

That upon the payment of the principal and interest of all the bonds hereby secured, the estate hereby granted to the said party of the second part shall be void, and the right to all the real and personal property hereby granted and conveyed shall revert to, and revest in, the said Railway Company, its successors or assigns, in law and in equity, without any acknowledgment of satisfaction, reconveyance, surrender, re-entry or other act.

That in case the said Railway Company, its successors or assigns, shall fail to pay the interest on any of the said bonds, at any time when the same shall become due and payable, according to the tenor thereof, and shall continue in such default for six months after such payment has been demanded at its or their agency in the City of New York, then and thereupon the principal of all the bonds hereby secured shall be and become immediately due and payable, provided the said trustee gives written notice to the party of the first part, its successors or assigns, of its option to that effect, while such default continues, which notice it shall be bound to give if required in writing to do so, by the holders of twenty-five per centum of said bonds then outstanding; and that, in such case, or upon the principal of said bonds becoming in any other way due and payable, and remaining unpaid, in whole or in part, after demand thereof, the said trustee, or its successor in the trust, may, in its discretion, and shall, upon the request of the holders of fifty per centum of said bonds then outstanding, with or without entry or foreclosure, take actual possession of said railroad, and of all and singular the property, things, and effects hereby conveyed, and personally, or by attorney, manage and operate the same and receive all the tolls, rents, income, and profits thereof, until such time as the said bonds and in-

terest thereon are fully paid or satisfied, and shall apply the money so received by it, first, to the expenses of the trust hereby executed, the management of the said railroad and its appurtenances, and the needful repairs thereof; next, to the payment of interest overdue upon the said bonds, and interest upon delayed interest, and afterwards to the payment of the principal of said bonds. And the said trustee, or its successor in the trust, upon becoming entitled to take possession of the railroad and property aforesaid, may, in its discretion, and shall, on the written request of the holders of at least one-half of the bonds then unpaid and outstanding, cause the said premises so mortgaged, to be sold either as an entirety or in such parcels as it shall deem necessary or proper, having due regard to the interest of all parties, to the highest bidder, at public auction, in the City of Palestine, giving at least sixty days' notice of the time, place, and terms of such sale, and of the specific property to be sold, and whether the same will be sold as an entirety or in parcels, by publishing such notice in two newspapers in said City of Palestine, and in one or more newsapers in the City of New York, once in each week during the term of sixty days, and that, upon receiving the purchase money therefor, the said trustee, or its successors in the trust, shall execute to the purchaser or purchasers thereof, a good and sufficient deed of conveyance, in fee simple, which sale and conveyance shall forever be a bar against the party of the first part, its successors and assigns, and all persons claiming under them, of all right, estate, interest, or claim in or to the premises, property, things, franchises, privileges, and immunities so sold, or any part thereof, whether the said trustee is in possession thereof or not, and the receipt of the said trustee shall be a full and sufficient discharge to each purchaser, and no purchaser holding such receipt shall be liable for the proper application of the purchase money, or in any way bound to see that the same is applied to the uses of this trust, or in any manner answerable for its loss or misapplication, or bound to inquire into the authority for making such sale. And such sale to a purchaser in good faith, shall be valid, whether said notice is given or not, and whether default in payment has been made or not.

That the said trustee shall, after deducting from the proceeds of such sale the cost and expenses thereof, and of the execution of this trust, and all payments for taxes, assessments and counsel fees, and its own reasonable compensation, apply so much of the proceeds as may be necessary to the payment of the principal and interest remaining unpaid upon said bonds and coupons, together with inter-

est upon overdue coupons down to the time of sale, without giving preference to either principal or interest; it being the intention of this indenture that so long as the railroad and its appurtenances shall be managed by the trustee or a receiver as a going concern, the income shall be applied to the payment of interest in preference to the principal, but that, after a sale of the railroad and its appurtenances, no such preference shall be made in the distribution of the proceeds.

That upon any sale of the said premises, whether by the trustee or under decree of the Court, the holders of the bonds hereby secured, or any of them, or the said trustee on behalf of all the bondholders, shall have a right to purchase upon equal terms with other persons, and it shall be the duty of the said trustee, if so required in writing, a reasonable time before such sale, by the holders of a majority in value of the outstanding bonds secured hereby, and upon being offered at the same time adequate indemnity against all liability to be incurred thereby, to make such purchase on behalf of all the bondholders, at a reasonable price, if part only of the property hereby conveyed is sold, or in case the whole property is sold, at a price not exceeding the whole amount of principal and interest due or accruing upon the said bonds, together with the expenses of the proceedings and sale; and the bonds secured by this mortgage shall be receivable at such sale as cash, for the amount of cash which would be payble on such bonds out of the proceeds of such sale.

That in case of the purchase of the said property, or any part thereof, by the trustee, the same shall be held for the benefit of all bondholders in proportion to their respective interests in the bonds, and the property thus purchased shall be conveyed to such persons or corporations as may be designated by a majority in value of the bondholders present at a meeting of the bondholders in the City of New York, regularly called by the trustee, upon reasonable public notice published in two newspapers of that city, provided that such conveyance shall be made on such terms as will, in the judgment of the said trustee, secure to each and every bondholder his just proportion of interest in the property purchased as aforesaid.

That it is hereby expressly agreed that in no case shall any claim, benefit or advantage be taken by the said Railway Company, its successors or assigns, of any valuation, appraisement, extension or relief laws, to prevent such entry or sale as aforesaid, and that nothing herein contained shall be construed as limiting the right of the said trustee to apply to the courts for judgment or decree of fore-

closure and sale under this indenture, or for the usual relief in the course of such proceedings; and the said trustee, may in its discretion, apply to any competent court for relief by way of foreclosure or otherwise, if so advised by counsel, instead of taking possession of or selling the said property when required to do so by bondholders.

That the said Railway Company shall and will create a sinking fund from the earnings for the redemption and purchase of said bonds and each of them, by depositing with the said trustee, from and after the first day of January, one thousand eight hundred and eighty-six, and annually thereafter until the maturity of said bonds, on or before the first day of February in each year, a sum annually equally to two per centum of such bonds as shall then be outstanding and unpaid, which said sum shall be paid in gold coin of the weight and fineness hereinbefore mentioned; and the said money paid into the sinking fund shall be invested by the said trustee in the purchase of said bonds at the lowest price at which the same conveniently can be bought, after having advertised for the same in two or more daily newspapers published in the City of New York for ten days, provided said purchase can be made at or below the price of one thousand and one hundred dollars ($1,100) per bond; but it is understood that in case sufficient of said bonds to absorb the amount to be paid into said sinking fund can not be purchased, or are not offered to said trustee at or below the price above mentioned, then said trustee or its successor, successors or assigns, shall within thirty days after the receipt of said money, invest the same in United States Government bonds, on the most favorable terms practicable; and in determining what bonds shall be purchased or redeemed with the sinking fund aforesaid, it shall be the duty of said trustee to accept and pay the bonds offered to it, at the lowest price, within thirty days after the receipt of each installment of said sinking fund; and in case the bonds of different parties are offered at the same price, it shall be the duty of said trustee to accept and pay those first offered within said thirty days, and the bonds and coupons so purchased shall be cancelled, and a certificate of the number and amounts of said bonds shall be immediately furnished by said trustee to the treasurer of the said Railway Company.

That the said Railway Company may dispose of the current net revenues and income of all the said property and railway hereby conveyed, in such manner as it shall deem best, until default shall be made in the payment of the interest or principal of said bonds, or of any one or more of them, and shall have the right to sell and

dispose of any of such real estate or other property as it may own or acquire, which may not be needed or required for the purpose and business of said railway, and which sale and conveyance of said property shall transfer the said property and title free from the encumbrance of this mortgage or deed of trust, and to change its tracks and make any and all alterations necessary for the benefit of the same.

That the bonds secured herein are to be issued at the rate only of twenty thousand dollars per mile of completed road, as follows: That is to say, one hundred bonds may be issued for each five miles of railway as the same may be completed, on the affidavit of the Chief Engineer of said Railway Company, that said five miles have been so completed and are ready for use. And it is agreed between the parties hereto, and made part of the contract with the holders of the bonds secured hereby, that the trustee herein shall not be required to look beyond the affidavit of the Chief Engineer as herein provided, and shall not be responsible in any event for any act done in pursuance of such affidavit.

That it is further mutually agreed by and between the parties hereto, and is hereby declared to be a condition upon which the said party of the second part, and its successor or successors in the trust hereby created, have assented to these presents and accepted this trust, that the said trustee and its successors in this trust shall not in any manner be held responsible for the act of any co-trustee, or of any persons employed by them, unless guilty of culpable negligence in the selection of such employes; nor shall the trustee be answerable except and for its own willful default, and in all cases the then trustee, the party of the second part, shall be authorized to pay such reasonable compensation as it shall deem proper, to all the attorneys, officers, agents, servants, and employes whom it may reasonably employ in the management of this trust; and that the said trustee and its successor or successors shall have and be entitled to just compensation for all services it may render in connection with the management of the trust hereby created, to be paid by the said party of the first part, or out of the trust estate.

That the bonds hereinbefore described, and hereby secured, shall pass by delivery or by transfer on the books of the said Railway Company, and that after a registration of the ownership of said bonds, certified thereon by the transfer agent of said Railway Company, no transfer of said bonds, except upon the transfer books of said Company, shall be valid, unless the last transfer shall be to

bearer, which transfer to bearer shall again render said bonds transferable by delivery; and that said bonds shall continue subject to successive registration and transfer to bearer as aforesaid, at the option of each successive holder, provided the coupons issued with the same, and not due, are attached to said bonds, when such registration is desired, and not otherwise; and to this end the said Railway Company shall keep in the City of New York a registration or transfer office with the necessary books, in which the registration and transfer of said bonds may be made as above provided.

That for the purpose of designating the rolling-stock that shall belong to the line of railway hereby mortgaged, it is agreed by and between the parties hereto, that the said Railway Company will mark, in some substantial manner, all engines and cars of each and every class purchased by it, with either the name of said Company or the initials of its name.

That the Railway Company, its successors and assigns, further covenants and agrees with the said trustee and its successors in the trust, to make, execute, and deliver all such further deeds, instruments, and assurances as may from time to time be necessary, and as the said trustee, or its successor in the trust may be advised by counsel learned in the law, to be necessary for the better securing to the party of the second part and its successor in the trust, the premises hereby conveyed and for carrying out the objects and purposes of this indenture. That the said Railway Company covenants and agrees with the said trustee and its successor in the trust, that it will from time to time pay all the expenses of this trust, including the compensation and expense of the transfer agent herein provided for.

In case a vacancy shall occur in this trust from any cause whatsoever, it shall be lawful for the said Railway Company, or any of the bondholders, to apply in writing to the then Chief Justice of the Supreme Court of the State of Texas, to appoint another trustee or trustees to supply the vacancy; and in the event that said application be made by any of the bondholders, then, and in that case, notice of said application shall be given to the said Railway Company at least ten days before said vacancy shall be filled; and the said Chief Justice is hereby authorized, upon application and notice as aforesaid, without legal proceedings, to appoint one or two trustees to fill the vacancy; and the trustee or trustees so appointed shall be vested with all the the title, powers, duties, and estates possessed under this instrument by the said Mercantile Trust Company of New York.

In witness whereof, the said Trinity and Sabine Railway Com-

pany, party of the first part, in pursuance of the authority conferred upon it by law, and of a resolution adopted by a vote of two-thirds of all the stockholders, at a meeting regularly called for that purpose, and held on the twelfth day of December, 1881, has caused this indenture to be subscribed in its name by its President and Secretary, and the corporate seal of said Company to be affixed thereto, and the party of the second part, for the purpose of testifying to its acceptance of the trust hereby created, has also, in pursuance of a resolution of its Board of Directors, caused this indenture to be subscribed in its name by its President and Secretary, and its corporate seal to be affixed hereto the day and year last above written.

THE TRINITY AND SABINE RAILWAY CO.,

[L. S.] By R. S. HAYES,
President.

Attest:
D. S. H. SMITH, Secretary.

THE MERCANTILE TRUST COMPANY,

[L. S.] By LOUIS FITZGERALD, President.

Attest:
H. C. DEMING, Secretary.

STATE OF MISSOURI, } ss:
City of St. Louis, }

Be it remembered that on this 31st day of January, A. D. 1882, before me, the undersigned, a Notary Public within and for the city and State aforesaid, personally came R. S. Hayes and D. S. H. Smith, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument of writing as parties thereto, and said R. S. Hayes, who is known to me to be the President of the Trinity and Sabine Railway Company, and said D. S. H. Smith, who is known to me to be the Secretary of said Company, severally acknowledged the same to be their free and voluntary act, as such President and Secretary, for the purposes therein mentioned, and as the free and voluntary act and deed of the said The Trinity and Sabine Railway Company, by them, its President and Secretary, and said D. S. H. Smith declared that the seal affixed

thereto is the seal of said Company, and was so affixed by him, its Secretary.

In testimony whereof, I have hereunto set my hand and affixed my notarial seal, this 31st day of January, A. D. 1882.

THOMAS G. PORTIS,
Notary Public.

[L. S.]

STATE OF NEW YORK,
City and County of New York, } ss:

Be it remembered that on this 28th day of January, A. D. 1882, before me, William H. Clarkson, a Commissioner of Deeds of the State of Texas, in and for the State of New York, residing in said City of New York, personally appeared Louis Fitzgerald, President of the Mercantile Trust Company aforesaid, and H. C. Deming, the Secretary of the same Company, to me well known to be the individuals described in, and who executed the foregoing instrument, and they acknowledged to me that they executed the said instrument bearing date on the 15th day of December, A. D. 1881, for the uses, purposes, and considerations therein stated, and that the same is their act and deed as the President and Secretary of the said Company, and the act and deed of the said Company.

And the said Louis Fitzgerald and H. C. Deming being by me first duly sworn, they did depose and say, that he, the said Louis Fitzgerald, was the President of the said Mercantile Trust Company; that he, the said H. C. Deming, was the Secretary of the same Company; that the seal affixed to the foregoing instrument was the corporate seal of said Company; that it was affixed thereto by order of the Board of Trustees of said Company, and that they signed their names thereto, by the like order, as the President and Secretary of said Company, respectively.

In witness whereof, I have hereunto set my hand and affixed my official seal this 28th day of January, A. D. 1882.

WILLIAM H. CLARKSON,
Commissioner for Texas in New York,
117 Broadway, N. Y. City.

[L. S.]

THE TRINITY AND SABINE RAILWAY COMPANY

TO

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY.

CONTRACT OF SALE.

THIS INDENTURE AND CONTRACT, made on the ninth day of December, in the year of our Lord, one thousand eight hundred and eighty-two, by and between the TRINITY AND SABINE RAILWAY COMPANY, a corporation by and under the laws of the State of Texas, party of the first part, and the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, a corporation created under the laws of the State of Kansas and Missouri, and having corporate rights and franchises under the laws of Texas.

WITNESSETH:

That the said party of the first part, for and in consideration of the sum of one hundred dollars, lawful money of the United States, to it in hand paid, at and before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and for other and further lawful considerations, hath merged itself into the party of the second part under its own proper and corporate name of the "Missouri, Kansas and Texas Railway Company," on the terms and conditions herein and hereby agreed upon, by granting, bargaining, selling, aliening, remising, assigning, transferring, conveying and confirming unto the party of the second part, its successors or assigns,

all the franchises, corporate rights and privileges of the said party of the first part, together with its track, road-bed, buildings, rolling stock, engines, tools, bonds, stocks, grants, privileges, property, real personal, and every right, title and interest in or to any franchise or property, real or personal, and all rights of every name and kind which the party of the first part possesses, or in which the party of the first part has any right, privilege or interest, situated and being in the State of Texas or elsewhere, the object and intent of this contract, conveyance and agreement being to so merge the rights, powers and privileges of the party of the first part into the party of the second part, as that the party of the second part, under its own charter, corporate name and organization, shall, without impairing any existing right, exercise in addition thereto, all the powers, rights, privileges and franchises, and own and control all the properties that the party of the first part now exercises, or owns, or by its charter, or the laws it has the right to exercise, own or control. Provided, however, that the franchises of the party of the first part, to be and remain a corporation until such time as may be hereafter agreed upon for its dissolution, shall not be impaired or infringed upon by anything contained in this contract; and provided also, that nothing in this contract contained is intended to or shall impair any legally existing contract, by mortgage or otherwise, of the party of the first part, and especially the mortgage made and executed to the Mercantile Trust Company, as trustee, to secure an issue of seven hundred and sixty bonds, all of which are in the treasury of said party of the first part, and are to be surrendered and cancelled simultaneously with the payment of the consideration for this conveyance; and said party of the second part is to perform and fulfil all their charter obligations, of the party of the first part, to the State of Texas and the public. And the further consideration is, that the said party of the second part sells and delivers to H. B. Henson, as trustee for the party of the first part, twenty thousand dollars ($20,000) in the capital stock of the party of the second part, and twenty thousand dollars of its bonds for each mile of the completed road of the party of the first part, between Trinity and the Neches river, which stock is to be delivered to the stockholders of the party of the first part in exchange for a like amount of the capital stock of said party of the first part, duly assigned to H. B. Henson, as trustee for the party of the second part, which stock of the party of the first part shall not be cancelled, but shall be held by the said H. B. Henson, as trustee for the party of the second part hereto, for the purpose of preserving to the party

of the second part hereto all of the rights pertaining thereto until otherwise provided by authorized corporate action. And the said twenty thousand dollars per mile of the general consolidated bonds, to be paid by the party of the second part, shall be applied first to the extinguishment of the outstanding mortgage bonds of the party of the first part, and other obligations for construction and equipment.

The corporate existence of the party of first part shall be maintained, and its power to carry out all existing contracts remains unimpaired.

This conveyance is duly authorized by the corporate action of the party of the first part.

In witness whereof, the said party of the first part has caused these presents to be executed by its President, and attested by it corporate seal this ninth day of December, 1882.

THE TRINITY AND SABINE RAILWAY COMPANY,

[L. S.] By R. S. HAYES, President.

Attest:
D. S. H. SMITH, Secretary.

STATE OF MISSOURI, }
City of St. Louis. }

Before me, Thomas G. Paites, a Notary Public within and for said city and State, on this day personally appeared R. S. Hayes, President of the Trinity and Sabine Railway Company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as such President for the purposes and condition therein expressed.

Given under my hand and seal of office this 9th day of December, A. D. 1882.

THOMAS G. PAITES,
[L. S.] Notary Public.

Filed for Record the first day of February, A. D. 1883, at 10 o'clock a. m.

J. K. P. STOKES,
Clerk C. C. T. C. Texas.

THE STATE OF TEXAS,
County of Trinity.

I, T. H. Stout, County Clerk within and for Trinity county, Texas, do hereby certify that the above and foregoing instrument of writing is a true and correct copy of the original instrument from the Trinity and Sabine Railway Company to Missouri, Kansas and Texas Railway Company, on record in my office, in Book T, pages 320, 321 and 322.

In testimony whereof, I hereto set my hand and seal of office, in the town of Groveton, this the 20th day of September, A. D. 1889.

T. H. STOUT,
[L. S.] County Clerk Trinity County, Texas.
By E. B. BOND, Deputy.

GAINESVILLE, HENRIETTA AND WESTERN

RAILWAY COMPANY.

The Gainesville, Henrietta and Western Railway Company was organized under the general laws of the State of Texas, by Articles of Association, dated June 7th, 1886, which were filed in the office of the Department of State on the 23d day of July, 1886.

Under its charter it was authorized to construct, maintain and operate a railway and telegraph line from Gainesville, in Cooke county, Texas, in a westerly direction, through that county, and the counties of Montague, Clay and Archer, to a point at or near the centre of Baylor county, Texas, a distance of about 130 miles.

Under this charter there was constructed the line of railway from Gainesville to Henrietta.

On the 2d of November, 1886, the Board of Directors of said Railway Company passed resolutions authorizing the proper executive officers of said Railway Company to execute bonds, to the extent of twenty thousand dollars per mile, on the entire length of its railway, built and to be built, said bonds to be issued only on the railway to be built, to bear date December 1st, 1886,

payable to bearer, for one thousand dollars, in gold coin, each, bearing interest at the rate of six per cent. per annum, payable semi-annually.

It was also resolved that said executive officers be authorized and empowered to execute a mortgage, or deed of trust, to John F. Dillon and Henry B. Henson, trustees, conveying the Company's franchises, railway, rolling stock, equipments, etc., to secure the payment of said bonds. At this meeting a resolution was passed convening a special meeting of the stockholders, on the 13th of January, 1887, "to authorize, ratify, approve and confirm the foregoing action of the Board of Directors, in relation to the issuance of bonds and the making of said mortgage."

At this meeting of the Directors a resolution was passed, increasing the capital stock of the Company from fifteen thousand dollars per mile to twenty thousand dollars per mile, which said resolution reads as follows: "Whereas, this Company has commenced the "construction of its railway from Gainesville west, and "finds its capital stock, as limited by its charter, insuf- "ficient for the construction, completion, equipment and "operation of said railway, therefore

"*Resolved*, That, in the opinion of the Board of Direc- "tors, that said capital stock should be increased five "thousand dollars per mile, to twenty thousand dollars "per mile, as now limited."

At a meeting of the Board of Directors of said Company, held on the 10th day of November, 1886, the following resolution was passed:

Resolved, That the proper executive officers of this Company be, and they are hereby authorized to grant, bargain, sell, and convey all the franchises and corporate rights and privileges of the Gainesville, Henrietta and Western Railway Company, together with

all its tracks, road-bed, railway, buildings, rolling stock, engines, tools, bonds, stocks, grants, privileges, property, real and personal, and every right, title and interest in and to any franchises, real or personal, and all rights of every name and kind which the Gainesville, Henrietta and Western Railway Company possesses, or in which it has any right, privilege or interest, situated and being in the State of Texas or elsewhere, for and in consideration of the sum of one hundred dollars, and the further consideration that the said Missouri, Kansas and Texas Railway Company shall perform and fulfil all the charter obligations of the Gainesville, Henrietta and Western Railway Company to the State of Texas, and to the public.

The said conveyance shall provide that the corporate franchises of this Company, to remain a corporation until such time as may be hereafter agreed upon for its dissolution, shall not be impaired or infringed by said contract, nor shall said contract impair any legally existing contract, by mortgage or otherwise, of this Company, and especially the mortgage authorized to be made and executed on November 2d, 1886, to John F. Dillon and Henry B. Henson, trustees, dated the first day of December, 1886, to secure bonds, to be issued from time to time, according to its terms and provisions; and to this end and purpose the President of this Company, or in his absence, the Vice President, is hereby authorized and instructed to make, execute and deliver to the said Missouri, Kansas and Texas Railway Company a contract and conveyance, in form and substance as follows:

At a meeting of the Board of Directors, held on the 13th of January, 1887, the Vice President made the following report:

To the Board of Directors of the Gainesville, Henrietta & Western Railway Company:

Since the last meeting of this board, the President of the Company, H. M. Hoxie, has died, and I suggest another President be elected at this meeting.

At the first meeting of the Board, the President was authorized to contract, as early as practicable, for the construction of the road from Greenville to Henrietta. Finding that he could contract the construction of the entire line upon terms which he deemed to the interest of the Company, he did so; but because of his severe and continued illness, which rendered him wholly incapable of attending to

business, the contract was not signed by the parties. The contractor, however, entered upon the construction under said agreement, and the work has so far progressed as that it is now expected to have the first fifty miles west of Gainesville completed by the fifth of February next.

The contract was made with Guy Phillips, of New York, and under it the work has been prosecuted.

It is made Exhibit "A" to this report. I respectfully recommend that the Board ratify and approve said contract, and authorize the President to sign, seal and deliver it to the contractor, as the contract of the company.

I have further to report that the Engineer in charge reports the first five miles of the road, west from Gainesville, completed on the 30th of December, and the next five miles on the 6th of this month, making ten miles reported as completed. His certificates, properly verified, are herewith exhibited. This entitles the contractor to twenty thousand dollars a mile in the first mortgage bonds of the Company, and ten thousand dollars a mile in full paid stock of said Company, under his contract.

It is understood that Guy Phillips requests that of the capital stock now due him, for the first ten miles, the Board will issue to the following subscribers to stock, in evidence of payment of their subscription, say to N. W. Hunter, 10 shares, $1,000.00; Jas. A. Baker, 20 shares, $2,000.00; G. J. Gooch, 10 shares, $1,000.00; R. C. Foster, 5 shares, $500.00; Sam Hanna, 5 shares, $500.00; J. M. Lindsay, 5 shares, $500.00; F. M. Dougherty, 5 shares, $500.00; H. A. Lewis, 5 shares, $500.00; D. S. H. Smith, 5 shares, $500.00; J. Herrin 5 shares, $500.00; Wm. Kerrigan, 25 shares, $22,500.00;

I therefore suggest that the Secretary be authorized and instructed to issue and deliver to Guy Phillips two hundred of the company's First Mortgage bonds and the stock as above in full payment for materials and construction of said ten miles of road.

JAS. A. BAKER,
Vice President.

On motion, the report was received and adopted, and ordered to be copied in the minutes of the meeting.

At this meeting a resolution was passed, approving, ratifying and confirming the contract for construction, as reported by the Vice President, and the President

was instructed to sign and deliver as the contract of the of the Company.

The following resolution was also passed:

Resolved, That the Chief Engineer, B. S. Wathen, having reported the first ten miles of the company's road, west form Gainesville, completed, that the same is accepted.

And further, that the Secretary is instructed to issue and deliver to Guy Phillips, the contractor, in full payment for material and construction of said ten miles, two hundred of the Company's first mortgage bonds, numbered one to two hundred inclusive; and of the capital stock of this Company, full paid, he will issue and deliver as follows: to Guy Phillips, 900 shares, making $90,000; to Wm. Kerrigan, 25 shares, making $2,500; N. W. Hunter, 10 shares, making $1,000; Jas. A. Baker, 20 shares, making $2,000; G. J. Gooch, 10 shares, making $1,000; R. C. Foster, 5 shares, making $500; Sam Hanna, 5 shares, making $500; J. M. Lindsay, 5 shares, making $500; F. M. Dougherty, 5 shares, making $500; H. A. Lewis, 5 shares, making $500; D. S. H. Smith, 5 shares, making $500; J. Herrin, 5 shares, making $500; total, 1000 shares, making $100,000.

At a meeting of the stockholders of said Railway Company, held on the 13th of January, 1887, by resolution, the action of the Board of Directors, of November 2d, 1886, increasing the capital stock of the Company five thousand dollars per mile, was approved, ratified and confirmed. At this meeting a resolution was unanimously adopted, reciting the action of the Board of Directors, on November 2d, 1886, authorizing the executive officers of the Company to execute bonds of the Company, to the extent of twenty thousand dollars per mile, and also to execute a mortgage, or trust deed, to John F. Dillon and Henry B. Henson, trustees, to secure the payment of said bonds, and also reciting that, in pursuance of said resolutions, the executive officers of the Company had executed the bonds of the Company, and had executed and delivered to said Dillon and Henson, as trustees, a trust deed, conveying the Company's rail-

way and property, (reciting the mortgage in full), approving the action of the Board of Directors, in ordering the making of said bonds and trust deed, and the acts of the executive officers in signing and delivering the same, and adopted said acts as the acts of the stockholders, and declaring that they were made as valid and binding in all things, as if the same had been originally done by resolution of the stockholders.

At this same meeting a resolution was unanimously adopted, approving and ratifying the action of the Board of Directors, on the 10th of November, 1886, which authorized the executive officers of the Company to convey all the property and franchises of the Company to the Missouri, Kansas and Texas Railway Company, and the executive officers of the Company were authorized and instructed to execute and deliver said deed.

At a meeting of the Board of Directors, held March 30, 1887, the Chief Engineer made a report that sixty-five miles of the track, west from Gainesville, had been completed on March 18th, 1887; of this the first ten miles were completed on January 6th, 1887, which ten miles were accepted by the Company, January 13th, 1887, and payment therefor ordered as agreed on contract for construction.

A resolution was passed as follows: "*Resolved*, That "this Company accept the fifty-five miles of track, now "completed, according to the certificate of the Chief "Engineer, which fifty-five miles is next in extension "west from the first ten miles next to and west of Gaines-"ville; and in payment therefor, the Secretary is hereby "authorized to issue and deliver to Guy Phillips, the "contractor, 1100 of the first mortgage bonds of this "Company numbered from 201 to 1300, inclusive, and a "certificate for 5500 shares of the full paid capital stock

"of this Company, in full payment under his contract "for the work."

At a meeting of the Directors, held May 10th, 1887, the President made report, presenting the certificate of B. S. Wathen, Chief Engineer, showing that seventy miles of the road were completed on April 30th, 1887, the western terminus being a short distance west of the point at which the railway of the Company crosses the Fort Worth and Denver Railroad at Henrietta.

A resolution was passed accepting the last five miles of the road, and authorizing the Secretary to issue and deliver to Guy Phillips, the contractor, one hundred of the Company's first mortgage Bonds, numbered from 1301 to 1400, inclusive, and a certificate for 500 shares of the fully paid capital stock in full payment for said five miles under his contract for construction. A statement was presented to the meeting, showing that with this five miles, seventy miles of road had been completed, and that there had been a total of bonds and stock authorized to be issued as follows:

IN BONDS.

For first ten miles 200, from No. 1 to 200.
For next fifty-five miles 1100, from No. 201 to 1300.
For next five miles 100, from No. 1301 to 1400, inclusive.

IN STOCK.

For first ten miles, 1000 shares.
For next fifty-five miles, 5500 shares.
For next five miles, 500 shares.
Total, 7000 shares.

ARTICLES OF INCORPORATION

OF THE

GAINESVILLE, HENRIETTA AND WESTERN

RAILWAY COMPANY.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned subscribers to the capital stock of the Railway Company hereinafter designated and named, desiring to form ourselves into a corporation for the purpose of constructing, owning, maintaining and operating a railway and telegraph line, pursuant to the laws of the State of Texas, do hereby adopt the following Articles of Incorporation:

Article 1. The name of said corporation shall be "The Gainesville, Henrietta and Western Railway Company."

Article 2. It is intended to construct said railway and telegraph line from Gainesville, in Cook county, Texas, in a westerly direction through that county and the counties of Montague, Clay and Archer, to a point at or near the center of Baylor county, Texas, a distance of about one hundred and thirty miles.

Article 3. The principal business office of said railway corporation shall be established and maintained at Gainesville, in Cooke county, Texas.

Article 4. Said corporation shall commence from the date at which the Articles shall be filed and recorded in the office of the Secretary of State for the State of Texas, and shall continue fifty years.

Article 5. The capital stock of said corporation shall be one million nine hundred and fifty thousand dollars, divided into nineteen thousand five hundred shares of one hundred dollars each.

Article 6. The names and places of residence of the several persons forming this association for incorporation, are as follows: R. C. Foster, of Denison, Texas; Sam Hanna, of Denison, Texas; F. M. Daugherty, of Gainesville, Texas; J. M. Lindsay, of Gainesville, Texas; J. W. F. Gray, of Henrietta, Texas; H. A. Lewis, of Henrietta, Texas; N. W. Hunter, of Palestine, Texas; J. Herrin, of Palestine, Texas; G. J. Gooch, of Houston, Texas; James A. Baker, of Houston, Texas; D. S. H. Smith, of St. Louis, Mo.; W. Kerrigan, of St. Louis, Mo.; H. M. Hoxie, of St. Louis, Mo.

Article 7. The government of said incorporation and the management of its affairs shall be vested in a Board of Directors, consisting of nine of its stockholders, and the names of the members of the first Board of Directors and the place of their residence are as follows: J. W. T. Gray, of Henrietta, Texas; H. A. Lewis, of Henrietta, Texas; G. J. Gooch, of Houston, Texas; H. M. Hoxie, of St. Louis, Mo.; D. S. H. Smith, of St. Louis, Mo.; J. Herrin, of Palestine, Texas; N. W. Hunter, of Palestine, Texas; F. M. Daugherty, of Gainesville, Texas; J. M. Lindsay, of Gainesville, Texas.

Witness our hands, this 7th day of June, 1886.

JAS. A. BAKER,
N. W. HUNTER,
G. J. GOOCH,
R. C. FOSTER,
SAM HANNA,
J. M. LINDSAY,
F. M. DAUGHERTY,
J. W. T. GRAY,
H. A. LEWIS,
D. S. H. SMITH,
WM. KERRIGAN,
J. HERRIN,
H. M. HOXIE.

STATE OF TEXAS, }
County of Harris. }

Before me, Garrett Hardcastle, a Notary Public in and for the county and State aforesaid, duly commissioned, sworn and acting, this day personally appeared J. Herrin, G. J. Gooch and N. W. Hunter, each of whom is known to me to be a Director named in the Articles of Incorporation of the Gainesville, Henrietta and Western Railway Company, and which Articles are hereto prefixed for certainty of identity, and being by me duly sworn, each of them says on oath that he is a Director named in said Articles of Incorporation, and that stock to the amount of one thousand dollars for every mile of said road so intended to be built, has in good faith been subscribed, and five per cent. of the amount subscribed has been paid in to the Directors named in the said Articles of Incorporation.

J. HERRIN,
G. J. GOOCH,
N. W. HUNTER.

Subscribed and sworn to before me, this 21st day of July, 1886. Witness my signature and notarial seal at Houston.

GARRETT HARDCASTLE,
[L. S.] Notary Public, Harris County, Texas.

STATE OF TEXAS, }
ATTORNEY GENERAL'S OFFICE, }
AUSTIN, July 23, 1886. }

[CERTIFICATE.]

This is to certify that the original Articles of Incorporation of the Gainesville, Henrietta and Western Railway Company were submitted to me on the twenty-third day of July, 1886, and that having carefully examined the same I find them in accordance with the provisions of chapter one, title eighty-four, of the Revised Statutes of Texas, and not in conflict with the laws of the United States or of the State of Texas.

As witness my hand and the seal of said office.

JOHN D. TEMPLETON,
[L. S.] Attorney General.

THE STATE OF TEXAS,
DEPARTMENT OF STATE.

I, Jos. W. Baines, Secretary of State of the State of Texas, do hereby certify that the foregoing original charter of the Gainesville, Henrietta and Western Railway Company was this day filed for record in this department, and the same, with endorsements thereon, is now of record on pages 257 to 260, Book "B," of Railroad Charters.

Witness my official signature and the seal of State affixed, at the City of Austin, this 23rd day of July, A. D. 1886.

J. W. BAINES,
Secretary of State.

[L. S.]

THE GAINESVILLE, HENRIETTA AND WESTERN RAILWAY COMPANY.

FIRST MORTGAGE.

THIS INDENTURE, made the first day of December, in the year one thousand eight hundred and eighty-six, between THE GAINESVILLE, HENRIETTA AND WESTERN RAILWAY COMPANY, a corporation organized under and by virtue of the laws of the State of Texas, party of the first part, hereinafter denominated "Railway Company," and JOHN F. DILLON and HENRY B. HENSON, parties of the second part, hereinafter denominated "Trustees."

WHEREAS, The Gainesville, Henrietta and Western Railway Company, to meet the expense of constructing, completing and putting into operation a railway in the State of Texas, which is to extend from the town of Gainesville, in Cooke county, Texas, in a westerly direction through the counties of Cooke, Montague, Clay and Archer, to a point at or near the center of Baylor county, Texas, have resolved to issue and negotiate, as by law they are duly authorized, a series of bonds of one thousand dollars each, at the rate of twenty thousand dollars for each mile of road, all of which bear date the first day of December, one thousand eight hundred and eighty-six, and which are made payable to the bearer, on the first day of June, in the year one thousand nine hundred and twenty, for value received, at its agency in the City of New York, with interest from date at the rate of six per centum per annum, payable semi-annually on the first days of June and December in each year, on the presentation and surrender of the proper annexed coupons, the principal and interest of said bonds being payable in gold coin of the present weight and fineness, as fixed by the laws of the United States now in force, and which bonds are also exempt from any income tax that now is or

hereafter may be levied or provided for by any law of the United States; which bonds, and the interest to become due thereon, all are to be equally secured by these presents, although issued at different times, and to be authenticated by a certificate to be signed by the said trustees, and are to substantially in the following form:

UNITED STATES OF AMERICA.

STATE OF TEXAS.

THE GAINESVILLE, HENRIETTA AND WESTERN RAILWAY COMPANY.

No. ..... $1,000.

First Mortgage Gold Bond, Interest at Six per Cent. per Annum, Payable Semi-Annually.

The Gainesville, Henrietta and Western Railway Company, a corporation organized under and by virtue of the laws of the State of Texas, promises to pay to the bearer, for value received, on the first day of June, in the year one thousand nine hundred and twenty, at its agency in the City of New York, one thousand dollars, with interest from date at the rate of six per cent. per annum, payable semi-annually, on the first days of June and December in each year, on presentation and surrender of the proper annexed coupons; the principal and interest of this bond to be paid in gold coin of the present weight and fineness, as fixed by the laws of the United States now in force, without diminution on account of any income tax that hereafter may be levied or provided for under any laws of the United States.

This bond is one of a series of bonds of one thousand dollars each, numbered from one upward, issued twenty to each mile, all of which are equally secured by a deed of trust, bearing date the first day of December, one thousand eight hundred and eighty-six, executed by said Railway Company unto John F. Dillon and Henry B. Henson, trustees, conveying all and singular the entire line of said Company's railway, built and to be built, beginning at the town of Gainesville, in Cooke county, Texas, thence in a westerly direction through the counties of Cooke, Montague, Clay and Archer, to a point at or near the center of Baylor county, Texas, and all other lines of railway that may hereafter be acquired or constructed by the said

Railway Company under its present charter or any amended charter that may be hereafter adopted; together with all the rolling stock, equipments, materials, all rights of way and track, depots and shop grounds, tenements and hereditaments, rights and franchises.

Upon default in the payment of interest on this bond for six months after it becomes payable and has been demanded, the trustees may, subject to the provisions of the said mortgage, declare the principal of all the bonds immediately payable, and must do so if required by the holders of one-fourth of such bonds outstanding.

This bond shall pass by delivery or by transfer on the books of said Railway Company, and after a registration of the ownership of said bond, certified thereon by the transfer agent of said Railway Company, no transfer of said bond, except upon the transfer book of said Company, shall be valid unless the transfer shall be to bearer, which transfer to bearer shall again render said bond transferable by delivery, and said bond shall continue subject to successive registration and transfer to bearer as aforesaid, at the option of each successive holder, provided the coupons issued with the same, and not due, are attached to said bond when such registration is desired, and not otherwise.

This bond shall not become obligatory until the certificate endorsed thereon is signed by the said trustees or their successor or successors in the trust.

In witness whereof the said Gainesville, Henrietta and Western Railway Company has caused this bond to be subscribed by its President and Secretary, and its corporate seal affixed hereto, this first day of December, in the year one thousand eight hundred and eighty six.

THE GAINESVILLE, HENRIETTA AND
WESTERN RAILWAY COMPANY.

By ——— ———, President.

——— ———, Secretary.

COUPON No. 1.

The Gainesville, Henrietta and Western Railway Company will pay to the bearer at its agency in the City of New York, thirty dollars in gold coin on the first day of June, 1887, being six months interest due on that day on Bond No. .....

TRUSTEES' CERTIFICATE.

It is hereby certified that the Gainesville, Henrietta and Western Railway Company has executed to John F. Dillon and Henry B. Henson, trustees, a mortgage or deed of trust, as described in the within bond, to secure the same.

_____ _____,
_____ _____,
Trustees.

NOW THEREFORE, THIS INDENTURE WITNESSETH: That the said Gainesville, Henrietta and Western Railway Company, in order to better secure the payment of the bonds proposed to be issued by the said Railway Company, as hereinbefore set forth, with the interest thereon, unto the person and persons, body and bodies politic and corporate, who may become the holder and holders of said bonds, or any of them, his, her or their executors, administrators, successors or assigns, and in consideration of the sum of one dollar, by the said John F. Dillon and Henry B. Henson, trustees, paid to the said Railway Company, at and before the signing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained, sold, released, conveyed and confirmed, and by these presents do hereby grant, bargain, sell, release, convey and confirm unto the said John F. Dillon and Henry B. Henson, and to their successor or successors in this trust, forever, all and singular the said Gainesville, Henrietta and Western Railway Company's railway, built and to be built, beginning at the town of Gainesville, in Cooke county, Texas, thence in a westerly direction through the counties of Cooke, Montague, Clay and Archer, to point at or near the center of Baylor county, Texas; and all other lines of railway that may hereafter be acquired or constructed by the said Railway Company under its present charter, or any amended charter that may hereafter be adopted, together with all side tracks, turn-outs, rolling stock, equipments and materials; all rights of way and tracks, depot and shop grounds, tenements and hereditaments, rights and franchises, including and meaning to include all the property, real and personal, now acquired or which hereafter may be acquired by the said Railway Company, in the State of Texas, used for and pertaining to the operation of said railroad.

TO HAVE AND TO HOLD the said property, things, rights and franchises hereby conveyed or intended so to be, unto the said trustees, or their successor or successors, in trust for the owners and holders

of the said bonds, or any of them, subject to the terms and stipulations of said bonds, and of the coupons thereto attached, and subject also to the possession, control and management of the Directors of the said Railway Company, so long as said Company shall well and truly perform all and singular the stipulations of said bonds and the covenants of this deed.

That upon the payment of the principal and interest of all the bonds hereby secured, the estate hereby granted to the said party of the second part shall be void, and the right to all the real and personal property hereby granted and conveyed shall revert to, and revest in the said Railway Company, its successors or assigns, in law and equity, without any acknowledgement of satisfaction, reconveyance, surrender, re-entry, or other act.

That in case the said Railway Company, its successors or assigns, shall fail to pay the interest on any of said bonds, at the time when the same shall become due and payable, according to the tenor thereof, and shall continue in such default for six months after such payment has been demanded, at its or their agency in the City of New York, then and thereupon the principal of all the bonds hereby secured shall be and become immediately due and payable, provided the said trustees give written notice to the party of the first part, its successors or assigns, of their option to that effect, while such default continues, which notice they shall be bound to give if requested in writing to do so, by the holders of twenty-five per centum of said bonds then outstanding; and that, in such case, or upon the principal of said bonds becoming in any other way due and payable, and remaining unpaid, in whole or in part, after demand thereof, the said trustees, or their successor or successors in the trust, may, in their discretion, and shall, upon the request of the holders of fifty per centum of said bonds then outstanding, with or without entry or foreclosure, take actual possession of said railroad, and of all and singular the property, things and effects hereby conveyed, and personally, or by attorney, manage and operate the same, and receive all the tolls, rents, incomes and profits thereof, until such time as the said bonds and interest thereon are fully paid or satisfied, and shall apply the money so received by it, first, to the expenses of the trust hereby executed, the management of the said railroad and its appurtenances, and the needful repairs thereof; next, to the payment of interest over due upon the said bonds, and interest upon delayed interest, and afterwards to the payment of the principal of said bonds. And the

said trustees, or their successor or successors in the trust, upon becoming entitled to take possession of the railroad and property aforesaid, may, in their discretion, and shall, on the written request of the holders of at least one-half of the bonds then unpaid and outstanding, cause the said premises so mortgaged, to be sold either as an entirety or in such parcels as they shall deem necessary or proper, having due regard to the interests of all parties, to the highest bidder, at public auction, in the City of Gainesville, Texas, giving at least sixty days notice of the time, place and terms of such sale, and of the specific property to be sold, and whether the same will be sold as an entirety or in parcels, by publishing such notice in one or more newspapers in the City of Gainesville, and in one or more newspapers in the City of New York, once in each week during the term of sixty days, and that, upon receiving the purchase money therefor, the said trustees, or their successors in the trust, shall execute to the purchaser or purchasers thereof, a good and sufficient deed of conveyance, in fee simple, which sale and conveyance shall forever be a bar against the party of the first part, its successors and assigns, and all persons claiming under them, of all right, estate, interest or claim in or to the premises, property, things, franchises, privileges and immunities so sold, or any part thereof, whether the said trustees are in possession thereof or not, and the receipt of the said trustees shall be a full and sufficient discharge to each purchaser, and no purchaser holding such receipt shall be liable for the proper application of the purchase money, or in any way bound to see that the same is applied to the uses of this trust, or in any manner answerable for its loss or misapplication, or bound to inquire into the authority for making such sale, and such sale to a purchaser in good faith shall be valid, whether said notice is given or not, and whether default in payment has been made or not.

That the said trustees shall, after deducting from the proceeds of such sale the cost and expenses thereof, and of the execution of this trust, and all payments for taxes, assessments and counsel fees, and their reasonable compensation, apply so much of the proceeds as may be necessary to the payment of the principal and interest remaining unpaid upon said bonds and coupons, together with interest upon over due coupons to the time of sale, without giving preference to either principal or interest; it being the intention of this indenture that so long as the railroad and its appurtenances shall be managed by the trustees or a receiver as a going concern, the income shall be applied to the payment of interest in preference to the prin-

cipal, but that, after a sale of the railroad and its appurtenances no such preference shall be made in the distribution of the proceeds.

That upon any sale of the said premises, whether by the trustees or under decree of the court, the holders of the bonds hereby secured, or any of them, or the said trustees on behalf of all the bondholders, shall have a right to purchase upon equal terms with other persons, and it shall be the duty of the said trustees, if so required in writing, a reasonable time before such sale, by the holders of a majority in value of the outstanding bonds secured hereby, and upon being offered at the same time, adequate indemnity against all liability to be incurred thereby, to make such purchase on behalf of all the bondholders, at a reasonable price, if part only of the property hereby conveyed is sold, or in case the whole property is sold, at a price not exceeding the whole amount, principal and interest, due or accruing upon said bonds, together with the expenses of the proceedings and sale; and the bonds secured by this mortgage shall be receivable at such sale as cash, for the amount of cash which would be payable on such bonds out of the proceeds of such sale.

That in case of the purchase of said property, or any part thereof, by the trustees, the same shall be held for the benefit of all the bondholders in proportion to their respective interests in the bonds, and that the property thus purchased shall be conveyed to such persons or corporations as may be designated by a majority in value of the bondholders present at a meeting of the bondholders in the city of New York, regularly called by the trustees, upon reasonable public notice published in two newspapers of that City; provided that such conveyance shall be made on such terms as will, in the judgment of said trustees, secure to each and every bondholder his just proportion of interest in the property purchased as aforesaid.

That it is hereby expressly agreed that in no case shall any claim, benefit or advantage be taken by the said Railway Company, its successors or assigns, of any valuation, appraisement, extension or relief laws, to prevent such entry or sale as aforesaid, and that nothing herein contained shall be construed as limiting the right of the said trustees to apply to the court for judgment or decree of foreclosure and sale under this indenture, or for the usual relief in the course of such proceedings; and the said trustees may, in their discretion, apply to any competent court for relief by way of foreclosure or otherwise, if so advised by counsel, instead of taking possession of or selling the said property when required to do so by bondholders.

That the said Railway Company may dispose of the current net revenue and income of all the said property and railways hereby conveyed, in such manner as it may deem best, until default shall be made in the payment of the interest or principal of said bonds, or of any one or more of them, and shall have the right to sell and dispose of any such real estate or other property as it may own or acquire, which may not be needed or required for the purpose and business of said railway, and which sale and conveyance of said property shall transfer the said property and title free from the incumbrance of this mortgage or deed of trust, and to change its track and make any and all alterations necessary for the benefit of the same.

That the bonds secured herein, are to be issued at the rate only of twenty thousand dollars per mile of completed road, as follows: that is to say, one hundred bonds may be issued for each five miles of railway as the same may be completed, on the affidavit of the Chief Engineer of said Railway Company, that five miles have been so completed and are ready for use. And it is agreed between the parties hereto and made part of the contract with the holders of the bonds secured hereby, that the trustees herein shall not be required to look beyond the affidavit of the Chief Engineer as herein provided, and shall not be responsible in any event for an act done in pursuance of such affidavit.

That it is further mutually agreed by and between the parties hereto, and is hereby declared to be a condition upon which the said parties of the second part and their successor or successors in the trust hereby created have assented to these presents and accepted this trust, that the said trustees and their successors in this trust shall not in any manner be held responsible for the act of any co-trustee, or of any person employed by them, unless guilty of culpable negligence in the selection of such employe; nor shall the trustee be answerable except for his or their own willful default.

That the parties of the second part, or their successor or successors, shall be authorized to pay such reasonable compensation as they shall deem proper, to all the attorneys, officers, agents, servants and employes whom they may reasonably employ in the management of this trust; and that the said trustees and their successor or successors shall have and be entitle to just compensation for all services they may render in connection with the trust hereby created, to be paid by the party of the first part, or out of the trust estate.

That the bonds hereinbefore described, and hereby secured, shall

pass by delivery or by transfer on the books of said Railway Company, and that after the registration of the ownership of said bonds, certified thereon by the Transfer Agent of said Railway Company, no transfer of said bonds, except upon the transfer books of said Company shall be valid, unless the transfer shall be to bearer, which transfer to bearer shall again render said bonds transferable by delivery; and that said bonds shall continue subject to successive registration and transfer to bearer as aforesaid, at the option of each successive holder, provided the coupons issued with the same, and not due, are attached to said bonds, when such registration is desired, and not otherwise; and to this end the said Railway Company, shall keep in the City of New York a registration or transfer office, with the necessary books, in which the registration and transfer of said bonds may be made as above provided.

That for the purpose of designating the rolling stock that shall belong to the line of railway hereby mortgaged, it is hereby agreed by and between the parties hereto, that the said Railway Company will mark, in some substantial manner, all engines and cars of each and every class purchased by it, with either the name of said Company or the initials of its name.

That the said Railway Company, its successors and assigns, further covenants and agrees with the said trustees and their successors in the trust, to make, execute and deliver all such further deeds, instruments and assurances as may from time to time be necessary, and as the said trustees or their successors in the trust may be advised by counsel learned in the law, to be necessary for the better securing to the party of the second part, their successor or successors in the trust, the premises hereby conveyed, and for carrying out the objects and purposes of this indenture. That the said Railway Company covenants and agrees with the said trustees and their successors in the trust, that it will, from time to time, pay all the expenses of this trust, including the compensation and expenses of the transfer agent herein provided for.

In case a vacancy shall occur in this trust, from any cause whatever, it shall be lawful for the said Railway Company, or any of the bondholders, to apply in writing to the then Chief Justice of the Supreme Court of the State of Texas to appoint another trustee or trustees to supply the vacancy; and in the event that said application be made by any of the bondholders, then and in that case, notice of said application shall be given to said Railway Company at least

ten days before said vacancy shall be filled; and the said Chief Justice is hereby authorized, upon application and notice as aforesaid, without legal proceedings, to appoint one or two trustees to fill the vacancy; and the trustee or trustees so appointed shall be vested with all the title, powers, duties and estates possessed under this instrument by the said John F. Dillon and Henry B. Henson, trustees herein named.

In witness whereof, the said Gainesville, Henrietta and Western Railway Company has caused this instrument to be subscribed in its name by its Vice President [the President being absent from the State] and Secretary, and attested by its corporate seal; and the said trustees, for the purpose of testifying to their acceptance of the trust hereby created, have also subscribed their names.

THE GAINESVILLE, HENRIETTA AND WESTERN RAILWAY COMPANY.

[L. S.] By JAS. A. BAKER,
Vice President.

Attest:
D. S. H. SMITH,
Secretary.

THE STATE OF TEXAS, }
County of Harris. }

Before me, a Notary Public in and for the county and State aforesaid, duly commissioned, qualified and acting, this day appeared personally Jas. A. Baker, known to me to be the same person whose name is subscribed to the foregoing instrument as Vice President, and acknowledged to me that he executed the same as Vice President of The Gainesville, Henrietta and Western Railway Company, for the purposes and consideration therein expressed.

Given under my hand and seal of office this twenty-seventh day of January, 1887.

H. M. CURTIN,
[L. S.] Notary Public Harris County, Texas.

The Gainesville, Henrietta and Western Railway Company

TO

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY.

CONTRACT OF SALE.

THIS INDENTURE AND CONTRACT, made on the day of , in the year of our Lord one thousand eight hundred and eighty , by and between the GAINESVILLE, HENRIETTA AND WESTERN RAILWAY COMPANY, a corporation created by and under the laws of the State of Texas, party of the first part, and the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, a corporation created under the laws of the States of Kansas and Missouri, and having corporate rights and franchises under the laws of Texas, party of the second part.

WITNESSETH:

THAT WHEREAS, The railroad of the party of the first part connects with the railroad of the party of the second part at Gainesville, Texas; and,

WHEREAS, The party of the second part is the owner of the majority of the capital stock of the party of the first part; and,

WHEREAS, The party of the second part has corporate power and authority to purchase, lease, join stocks and unite or consolidate with, and to acquire and merge into itself all or any part of the property, rights, privileges and franchises of any connecting railroad company;

NOW, THEREFORE THIS INDENTURE AND CONTRACT FURTHER WITNESSETH:

That the said party of the first part, for and in consideration of the sum of one hundred dollars, lawful money of the United States, to it in hand paid at and before the ensealing and delivery of these presents, receipt whereof is hereby acknowledged, and for other and further lawful considerations, hereinafter mentioned, doth merge itself into the party of the second part, under its own proper and corporate name of the Missouri, Kansas and Texas Railway Company, on the terms and conditions herein and hereby agreed upon and contained, by granting, bargaining, selling, alienating, assigning, transferring, conveying, and confirming unto the party of the second part, its successors and assigns, all of the franchises, corporate rights and privileges of the said party of the first part, its successors and assigns, together with its track, road-bed, railroad, buildings, rolling stock, engines, tolls, bonds, stocks, grants, privileges, property, real and personal, and every right, title and interest in and to any franchise, real or personal, and all rights of every name and kind which the party of the first part possesses, or in which the party of the first part has any right, privilege or interest, situated and being in the State of Texas, or elsewhere. The object and intent of this contract, conveyance and agreement being to so merge the rights, powers and privileges of the party of the first part into the party of the second part under its own charter, corporate name and organization, shall, without impairing any existing right, exercise in addition thereto all the powers, privileges and franchises, and own and control all the railroads and properties that the party of the first part now exercises, or owns, or by its charter, or the laws, it has the right to own, exercise or control; provided, however, that the corporate franchises of the party of the first part, to be and remain a corporation until such time as may be hereafter agreed upon for its dissolution, shall not be impaired or infringed upon by anything contained in this contract and indenture; and provided also, that nothing herein contained is intended to or shall impair any legally existing contract, by mortgage or otherwise, of the party of the first part, and especially the mortgage authorized to be made and executed on November 2d, 1886, to John F. Dillon and Henry B. Henson, trustees, dated the first day of December, 1886, to secure bonds, to be issued from time to time, according to its terms and provisions, subject to which said mortgage and all bonds that are to be issued thereunder, this contract and conveyance is taken; and as a further consideration for this contract

and conveyance, is to perform and fulfill all the charter obligations of the party of the first part to the State of Texas and to the public.

The corporate existence of the party of the first part shall be maintained, and its power to carry out all existing contracts remain unimpaired.

This conveyance is duly authorized by the corporate action of the party of the first part.

In witness whereof, the said Gainesville, Henrietta and Western Railway Company, party of the first part, has caused this instrument to be subscribed by its Vice President, its President being absent from the State, and Secretary, and the corporate seal of said Company to be affixed thereto, this day of , one thousand eight hundred and eighty-six.

THE GAINESVILLE, HENRIETTA AND WESTERN RAILWAY COMPANY.

CONSTRUCTION CONTRACT.

THIS AGREEMENT, made and entered into this —— day of January, one thousand eight hundred and eighty-seven, by and between the GAINESVILLE, HENRIETTA AND WESTERN RAILWAY COMPANY, a corporation duly organized under the laws of the State of Texas, party of the first part, and GUY PHILLIPS, of the City of New York, and his successors or assigns, party of the second part;

WITNESSETH:

WHEREAS, The party of the first part desires the construction of its line of railway extending from the town of Gainesville, in Cooke county, Texas, to a point at or near the center of Baylor county, Texas, a distance of about one hundred and thirty miles;

AND WHEREAS, The party of the second part, under an informal understanding, has been engaged in the construction of said railway, and is willing to complete the same upon the terms hereinafter provided;

NOW, THEREFORE, the party of the second part,—the party of the first part keeping and performing its agreements hereinafter contained,—hereby agrees with said party of the first part, that he will construct and complete said lines of railway ready for operation in a good and workmanlike manner, as good in all respects as the present lines of railway of the Missouri, Kansas and Texas Railway Company in said State of Texas;

That the rails to be placed thereon shall be of an approved pattern of steel rails, and weigh not less than fifty-six pounds to the yard;

that the ties used thereon shall equal at least twenty hundred to the mile;

That he will build suitable and sufficient station houses for freight and passengers; that the bridge or bridges that may occur on said line shall be good and substantial bridges of a pattern to be approved by the Engineer of the party of the first part;

That he will complete said railway ready for the running of trains thereon within —— months from the date hereof; it being understood and agreed that if the construction of said railway is delayed, or the party of the second part in any manner hindered or delayed by the action of any court, by injunction or by legal proceedings in procuring right of way, that the delay in time so caused shall be added to the time above limited for completing said railway.

The party of the first part hereby agrees with the party of the second part, he building said railroad in manner and form as herein provided, that it will pay to the party of the second part for building and completing said railroad as follows: Twenty thousand dollars per mile of the first mortgage six per cent. bonds, and ten thousand dollars per mile of the full paid capital stock of said party of the first part, for each and every mile of said railroad so constructed.

In witness whereof, the party of the first part has caused this agreement to be subscribed in its corporate name by the President, and its seal to be hereunto affixed, and the said party of the second part has subscribed his name hereto, the day and year first above written.

DALLAS AND GREENVILLE

RAILWAY COMPANY.

The Dallas and Greenville Railway Company was organized and incorporated under the general laws of the State of Texas, by Articles of Association, dated the 6th day of February, 1886, which were filed in the Department of State on

Under its charter it was empowered to construct a line of railway and telegraph line from Greenville, in Hunt county, to Dallas, in Dallas county, Texas, through the counties of Hunt, Rockwall and Dallas.

Under this charter there was constructed the line of railway from the town of Greenville to the City of Dallas, a distance of about fifty-two miles.

On the 5th day of November, 1886, the Board of Directors of said Railway Company passed resolutions, authorizing the General Manager and the Executive Committee of the Company to make and enter into an agreement or contract for the joint use and occupancy, with this Company, of its track, depots, etc., from Greenville to Dallas, by the Missouri, Kansas and Texas Railway, the St. Louis, Iron Mountain and Southern Rail-

way, and the Daingerfield and Texarkana Railway when organized.

At this meeting of the Directors, a resolution was passed authorizing the proper executive officers of said Railway Company to execute and issue a series of bonds of the Company, to the extent of twenty thousand dollars per mile, on the entire length of its railway, built and to be built, to bear date the first day of December, 1886; said bonds to be issued only as fast as the same shall be built, and not in advance thereof; said bonds to be payable to bearer, thirty years after date, for one thousand dollars each, in gold coin, and bearing interest at the rate of six per cent. per annum, from date, payable semi-annually.

It was also resolved that said executive officers be authorized and empowered to execute and deliver a mortgage, or deed of trust, to John F. Dillon and Henry B. Henson, trustees, conveying the Company's franchises, railway, rolling stock, equipments, etc., to secure the payment of said bonds. Said mortgage was made subject to any contract now existing, or which may be hereafter made by the General Manager and Executive Committee, for a joint use and occupancy, with this Company, of its track and depots, by the Missouri, Kansas and Texas Railway Company, the St. Louis, Iron Mountain and Southern Railway Company, and the Daingerfield and Texarkana Railway Company when organized.

At this meeting a resolution was passed convening a special meeting of the stockholders, on January 8th, 1887, to approve and ratify the foregoing resolutions and the bonds and mortgage authorized to be issued and executed thereunder.

At a meeting of the Board of Directors of said Com-

pany, held on the 10th of November, 1886, the following resolution was passed:

Resolved, That the proper executive officers of this Company be, and they are hereby, authorized to grant, bargain, sell and convey all the franchises and corporate rights and privileges of the Dallas and Greenville Railway Company, together with all its track, road-bed, railway, buildings, rolling stock, engines, tolls, bonds, stocks, grants, privileges, property, real and personal, and every right, title and interest in and to any franchises, real or personal, and all rights of every name and kind which the Dallas and Greenville Railway Company possesses, or in which it has any right, privilege or interest, situated and being in the State of Texas, or elsewhere, for and in consideration of the sum of one hundred dollars and the further considerations that the said Missouri, Kansas and Texas Railway Company shall perform and fulfill all the charter obligations of the Dallas and Greenville Railway Company to the State of Texas and to the public. The said conveyance shall provide that the corporate franchises of this Company, to remain a corporation until such time as may be hereafter agreed upon for its dissolution, shall not be impaired or infringed by said contract, nor shall said contract impair any legally existing contract, by mortgage or otherwise, of this Company, and especially the mortgage authorized to be made and executed on November 5th, 1886, to John F. Dillon and Henry B. Henson, trustees, dated the first day of December, 1886, to secure bonds, to be issued from time to time, according to its terms and provisions; and also, especially to the contract authorized to be made and executed on November 5th, 1886, for the joint use and occupancy of the track of said Railway Company by the Missouri, Kansas and Texas Railway Company, the Saint Louis, Iron Mountain and Southern Railway Company, and the Daingerfield and Texarkana Railway Company when organized. And to this end and purpose, the President of this Company, or in his absence, the Vice President, is hereby authorized and instructed to make, execute and deliver to the said Missouri, Kansas and Texas Railway Company a contract and conveyance in form and substance as follows:

(Here follows copy of contract, contained hereinafter.)

At this meeting of the Board of Directors a resolution was passed increasing the capital stock of the company two hundred and sixty thousand dollars.

At a meeting of the Board of Directors, held on the 30th of November, 1886, a resolution was passed as follows: "Whereas, under an informal understanding, Guy "Phillips has been engaged in the construction of the "railway of this Company, between Greenville and the "City of Dallas; and whereas, this Railway Company "desires the construction of its said line of railway, be- "tween said points; now therefore,

"*Be it resolved*, That the proper executive officers of "this Company be, and they are hereby, authorized to "make and enter into a contract with said Guy Phillips, "for the construction of its line of railway, from Green- "ville, in Hunt county, to Dallas, in Dallas county, "Texas, a distance of about fifty-two miles, in form and "substance as follows."

(Here follows copy of contract, contained hereinafter.)

At a meeting of the Board of Directors, held on January 25th, 1887, the Vice President made the following report:

To the Board of Directors of the Dallas and Greenville Railway Company:

Since the last meeting of the Board, the Engineer in charge reports the track complete from its junction with the East Line and Red River Railway, at Greenville, to its junction with the Dallas and Wichita, a distance of 52 185-1000 miles. A copy of his certificate to that effect is herewith filed, marked Exhibit A, as part hereof.

This work has been done under contract made by the President, and authorized by this Board on the 30th of November, 1886, and the contractor is now entitled to his pay as per said contract, say twenty thousand dollars per mile in the Company's first mortgage bonds, and ten thousand dollars per mile in the Company's corporate stock. These will amount to one million forty-three thousand and seven hundred dollars in bonds, and five hundred and twenty-one thousand eight hundred and fifty dollars in stock.

It is understood that Guy Phillips requests that of the capital stock now due him, the Board will issue to the following subscribers

to stock, on account of their subscription, say: To Wm. Kerrigan, 5 shares, $500; to D. S. H. Smith, 5 shares, $500; to George C. Smith, 5 shares, $500; to E. G. Merriam, 5 shares, $500; to J. A. Baker, 5 shares, $500; to J. Herrin, 5 shares, $500; to N. W. Hunter, 5 shares, $500; to G. J. Gooch, 5 shares, $500; to F. A. Rice, 5 shares, $500; and to Guy Phillips, 5,173½ shares, $517,350; total, 5,218½ shares, $521,850.

I suggest that the Secretary be authorized to issue and deliver bonds and stock in accordance with this statement, in full settlement and payment to Guy Phillips for the work done under his contract.

Respectfully submitted by

JAS. A. BAKER,
Vice President.

18th January, 1887.

On motion, the Company formally accepted and received the railway constructed under the contract with Guy Phillips, as reported by the Chief Engineer.

It was further resolved, that the Secretary be instructed to issue and deliver to Guy Phillips one thousand and forty-three of its first mortgage bonds, and seven hundred dollars in cash, or one thousand and forty-four of its said bonds, provided he will pay the difference between seven hundred dollars and the amount of one bond, say three hundred dollars. The Secretary was instructed to issue fully paid capital stock, as requested by Guy Phillips, in the report of the Vice President. At this meeting the Engineer reported that the main line, from Greenville to Dallas, $52\frac{185}{1000}$ miles, and sidings, $3\frac{3}{1000}$ miles, had been completed. The main line was completed December 18, 1886.

A meeting of the stockholders of said Company, held on the 18th of January, 1887, was called to order and adjourned until the 25th of January, 1887. At the latter meeting all of the stock of the Company was represented. The capital stock was increased two hundred and sixty thousand dollars.

At this meeting a resolution was unanimously adopted, reciting the action of the Board of Directors, at their meeting on November 5th, 1886, authorizing the executive officers of the Company to execute bonds of the Company to the extent of twenty thousand dollars per mile; and also, to execute a mortgage, or trust deed, to John F. Dillon and Henry B. Henson, trustees, to secure the payment of said bonds; and also, reciting that, in pursuance of said resolution, the executive officers of the Company had executed the bonds of the Company, and had executed and delivered to said Dillon and Henson, as trustees, a trust deed, conveying the Company's railway and property (reciting the mortgage in full), approving the action of the Board of Directors in ordering the making of said bonds and trust deed, and the acts of the executive officers in signing and delivering the same, and adopted said acts as the acts of the stockholders, and declaring the same as binding on it, in all things and in every respect, as if said acts had been originally authorized by the stockholders in strict conformity with the statutes of this State providing for like acts of railway companies.

At this same meeting a resolution was also unanimously adopted, approving and ratifying the action of the Board of Directors on the 10th of November, 1886, which authorized the executive officers of the Company to convey all the property and franchises of the Company to the Missouri, Kansas and Texas Railway Company, and also approving and ratifying the acts of the executive officers of the Company in signing, sealing and delivering said conveyance.

Said road was completed to Dallas, a distance of about 52 miles, on December 18th, 1886.

ARTICLES OF INCORPORATION

OF THE

DALLAS AND GREENVILLE

RAILWAY COMPANY.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, subscribers to the capital stock of the Railway Company hereinafter designated and named, desiring to form ourselves into a corporation, for the purpose of constructing, owning, maintaining and operating a railway and telegraph line, pursuant to the laws of the State of Texas, do hereby adopt the following Articles of Incorporation:

Article 1. The name of said corporation shall be the Dallas and Greenville Railway Company.

Article 2. It is intended to construct said railway and telegraph line from Greenville, in Hunt county, Texas, to Dallas, in Dallas county, Texas, through the counties of Hunt, Rockwall and Dallas.

Article 3. The principal business office of said railway corporation shall be established and maintained at Dallas, in Dallas county, Texas.

Article 4. Said corporation shall commence from the date at which the articles shall be filed and recorded in the office of the Secretary of State for the State of Texas; and shall continue fifty years.

Article 5. The capital stock of said corporation shall be eight

hundred thousand dollars, divided into eight thousand shares of one hundred dollars each.

Article 6. The names and places of residence of the several persons forming this association for incorporation, are as follows: H. M. Hoxie, of St. Louis, Missouri; D. S. H. Smith, of St. Louis, Missouri; George C. Smith, of St. Louis, Missouri; James A. Baker, of Houston, Texas; J. Herrin, of Palestine, Texas; F. A. Rice, of Houston, Texas; G. J. Gooch, of Palestine, Texas; N. W. Hunter, of Palestine, Texas; William Kerrigan, of St. Louis, Missouri; E. G. Merriam, of St. Louis, Missouri.

Article 7. The government of said incorporation and the management of its affairs shall be vested in a Board of Directors, consisting of seven of its stockholders, and the names of the members of the first Board of Directors and the place of their residence are as follows: H. M. Hoxie, St. Louis, Missouri; D. S. H. Smith, St. Louis, Missouri; George C. Smith, St. Louis, Missouri; James A. Baker, Houston, Texas; N. W. Hunter, Palestine, Texas; J. Herrin, Palestine, Texas; G. J. Gooch, Palestine, Texas.

Witness our hands, this 6th day of February, 1886.

(Signed) GEO. C. SMITH,
E. G. MERRIAM,
N. W. HUNTER,
F. A. RICE,
D. S. H. SMITH,
JAS. A. BAKER,
H. M. HOXIE,
J. HERRIN,
G. J. GOOCH,
WM. KERRIGAN.

STATE OF TEXAS, }
County of Harris. }

Before me, Garrett Hardcastle, a Notary Public in and for the county and State aforesaid, duly commissioned, sworn and acting, this day personally appeared J. Herrin, G. J. Gooch and N. W. Hunter, each of whom is known to me to be a Director named in the Articles of Incorporation of the Dallas and Greenville Railway Company, and which Articles are hereto prefixed for certainty of

identity, and being by me duly sworn, each of them says on oath that he is a Director named in said Articles of Incorporation, and that stock to the amount of one thousand dollars for every mile of said road so intended to be built, has in good faith been subscribed, and five per cent. of the amount subscribed has been paid in to the Directors named in said Articles of Incorporation.

J. HERRIN,
G. J. GOOCH,
N. W. HUNTER.

Subscribed and sworn to before me, this 10th day of February, 1886. Witness my signature and notarial seal.

GARRETT HARDCASTLE,
[L. S.] Notary Public, Harris County, Texas.

ATTORNEY GENERAL'S OFFICE,
AUSTIN, February 12, 1886.

[CERTIFICATE.]

This is to certify that the original Articles of Incorporation of the Dallas and Greenville Railway Company were submitted to me on the twelfth day of February, 1886, and that having carefully examined the same I find them in accordance with the provisions of chapter one, title eighty-four, of the Revised Statutes of Texas, and not in conflict with the laws of the United States or of the State of Texas.

As witness my hand and the seal of said office.

JOHN D. TEMPLETON,
[L. S.] Attorney General.

THE DALLAS AND GREENVILLE RAILWAY COMPANY.

CONSTRUCTION CONTRACT.

THIS AGREEMENT, made and entered into this —— day of November, one thousand eight hundred and eighty-six, by and between THE DALLAS AND GREENVILLE RAILWAY COMPANY, a corporation duly organized under the laws of the State of Texas, party of the first part, and GUY PHILLIPS, of the City of New York, and his successors or assigns, party of the second part;

WITNESSETH:

WHEREAS, The party of the first part desires the construction of its line of railway extending from Greenville, in Hunt county, Texas, to Dallas, in Dallas county, in said State, a distance of about fifty-two miles;

AND WHEREAS, The party of the second part, under an informal understanding, has been engaged in the construction of said railway, and is willing to complete the same upon the terms hereinafter provided;

NOW, THEREFORE, the party of the second part,—the party of the first part keeping and performing its agreements hereinafter contained,—hereby agrees with said party of the first part, that he will construct and complete said line of railway ready for operation, in a good and workmanlike manner, as good in all respects as the present lines of railway of the Missouri, Kansas and Texas Railway Company in said State of Texas;

That the rails to be placed thereon shall be of an approved pattern of steel rails, and weigh not less than fifty-six pounds to the yard:

that the ties used thereon shall equal at least twenty-five hundred to the mile;

That he will build suitable and sufficient station houses for freight and passengers; that the bridge or bridges that may occur on said line shall be good and substantial bridges of a pattern to be approved by the Engineer of the party of the first part;

That he will complete said railway ready for the running of trains thereon within six months from the date hereof; it being understood and agreed that if the construction of said railway is delayed, or the party of the second part in any manner hindered or delayed by the action of any court, by injunction or by legal proceedings in procuring right of way, that the delay in time so caused shall be added to the time above limited for completing said railway.

The party of the first part hereby agrees with the party of the second part, he building said railroad in manner and form as hereinbefore provided, that it will pay to the party of the second part for building and completing said railroad as follows: Twenty thousand dollars per mile of the first mortgage six per cent. bonds, and ten thousand dollars per mile of the full paid capital stock of said party of the first part, for each and every mile of said railroad so constructed.

In witness whereof, the said party of the first part has caused this agreement to be subscribed in its corporate name by its President, and its seal to be hereunto affixed, and the said party of the second part has subscribed his name hereto, the day and year first above written.

The Dallas and Greenville Railway Company

AND

The Missouri, Kansas and Texas Railway Company,

WITH THE

St. Louis, Iron Mountain and Southern Railroad Company

AND

The Daingerfield and Texarkana Railway Company.

CONTRACT FOR JOINT USE OF TRACK.

THIS AGREEMENT, made and entered into this day of November, one thousand eight hundred and eighty-six, by and between the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, a corporation organized under the laws of Kansas, and under authority of an act of the Legislature of the State of Texas, owning certain lines of railway in said State, and THE DALLAS AND GREENVILLE RAILWAY COMPANY, a corporation organized under the laws of Texas, parties of the first part, and the ST. LOUIS, IRON MOUNTAIN AND SOUTHERN RAILROAD COMPANY, a corporation organized under the laws of the States of Missouri and Arkansas, and the DAINGERFIELD AND TEXARKANA RAILWAY COMPANY, a corporation organized under the laws of Texas, parties of the second part.

WHEREAS, The said Missouri, Kansas and Texas Railway Company owns, among other lines of railway, a railway extending from the point of junction of its line with said Daingerfield and Texarkana Railway Company's line at or near Daingerfield, in Morris county, State of Texas, to Greenville, in Hunt county, in said State, and is

in negotiation for the purchase and control of the line of railway of said Dallas and Greenville Railway Company between Greenville and Dallas;

And Whereas, The said Dallas and Greenville Railway Company is now engaged in constructing a line of railway extending from said town of Greenville to Dallas, in Dallas county, in said State of Texas;

And Whereas, Said parties of the second part are about constructing and acquiring a railway from a point at or near Daingerfield, on the line of railway of said Missouri, Kansas and Texas Railway Company, to Texarkana, which last named line of railway, together with the lines of railway of said first party above described, will constitute a short and direct line between Texarkana and Dallas;

And Whereas, The interests of all parties to this agreement will be mutually promoted by the joint use and occupancy of the aforesaid lines of railway, viz: the railways extending from Texarkana to Dallas;

Now, therefore, this Agreement witnesseth:

First. That the said parties of the first part, and each of them, do hereby give and grant unto said parties of the second part, and to each of them, a joint use and occupancy of their respective lines of railway between Daingerfield, or such other point of junction as may be fixed upon, and Dallas, with the privilege of running the trains of said second parties, or of either of them, in either direction over said railways, and of collecting the tolls and revenues from freight and passengers transported between said points and points beyond on the lines of said second parties, or either of them, upon the terms and conditions hereinafter prescribed.

Second. That the said parties of the second part, and each of them, do hereby give and grant unto said parties of the first part, and each of them, a joint use and occupancy of their line of railway between Daingerfield, or said point of junction, and Texarkana, with the privilege of running the trains of said first parties, and each of them, in either direction over said railway, and of collecting the tolls and revenues from freight and passengers transported between said points and points beyond on the lines of said first parties, and each of them, upon the terms and conditions hereinafter prescribed.

Third. The parties hereto agree to pay, each to the other, as compensation for such joint use and occupancy of each others lines, one-

half of the interest accruing during the continuance of this agreement upon the bonds actually issued and outstanding upon the lines of railway so jointly used and occupied as herein contemplated and provided, and in addition thereto such proportion of the cost of maintenance of such railways, including taxes and assessments, as the traffic of the companies using the road of the other companies, passing over said railways, bears to the whole amount of traffic over such railways.

Fourth. It is understood and agreed between the parties hereto that when the line of railway of the parties of the second part, between Daingerfield, or said point of junction, and Texarkana, shall have been completed in good running order, the continuous line of railway between Texarkana and Dallas, belonging to the several parties hereto, shall be placed in charge of a Superintendent to be agreed upon, and appointed by the parties to this agreement, whose duty it shall be to attend to the maintenance of such road, and to establish such police regulations as shall be necessary and proper in the handling of trains over said line; and it shall be the duty of such Superintendent to examine and certify as to the accuracy of all bills for maintenance and other expenditures for joint account, and all such accounts shall be audited monthly, and statements in detail forwarded to each party on or before the twentieth of each month, covering all expenditures and liabilities for joint account up to and including the last day of the preceding month, and all such accounts shall be adjusted, and all audited bills paid within ten days after such monthly statements of accounts shall have been furnished.

Fifth. It is further agreed to be the true intent and meaning of this agreement, that each party shall be placed on an equality in the joint use and occupancy of the railway between Texarkana and Dallas, and that the trains of each party shall be run over the same between said points without interruption.

Sixth. It is further agreed that the joint use and occupancy of said line between Texarkana and Dallas, shall commence immediately upon the completion of the railway between Texarkana and Daingerfield, or said point of junction, and shall continue from and during the period of ninety-nine (99) years thereafter, and that the compensation herein specified shall be paid quarterly on the first days of January, April, July and October, in each year.

Seventh. It is further agreed that in case any dispute shall arise

as to the construction of this agreement, the question shall be submitted to two arbitrators, one to be named by each party hereto, and if they cannot agree, they shall call in a third, whose decision shall be final in the matter.

Eighth. It is understood and agreed that neither party hereto shall be liable for any of the contracts, defaults or negligence of the other parties hereto, and if so held liable shall be entitled to re-imbursement, to be paid at the same time and in the same manner as compensation for joint use and as a part thereof, but in addition to the amount of this agreement provided.

Ninth. It is further agreed that if the aforesaid compensation shall at any time be, and remain in default for a period of six months after demand, the other Company shall be entitled to treat such default as a breach of condition, and to repossess itself of its property.

Tenth. It is expressly agreed that the mortgages to be made by the said Dallas and Greenville Railway Company, and by the Daingerfield and Texarkana Railway Company, to secure first mortgage bonds upon said respective railways, shall be executed subject to the provisions of this agreement.

In witness whereof, the parties hereto have caused this agreement to be signed by their respective Presidents, and attested by their respective corporate seals, this day of , 1886.

THE DALLAS AND GREENVILLE RAILWAY COMPANY.

FIRST MORTGAGE.

THIS INDENTURE, made the first day of December, in the year one thousand eight hundred and eighty-six, between THE DALLAS AND GREENVILLE RAILWAY COMPANY, a corporation organized under and by virtue of the laws of the State of Texas, party of the first part, hereinafter denominated "Railway Company," and JOHN F. DILLON and HENRY B. HENSON, parties of the second part, hereinafter denominated "Trustees."

WHEREAS, The Dallas and Greenville Railway Company, to meet the expense of constructing, completing and putting into operation a railway in the State of Texas, which is to extend from the town of Greenville, in Hunt county, through the counties of Hunt, Rockwall and Dallas, in a southwesterly direction to the city of Dallas, in Dallas county, Texas, has resolved to issue and negotiate, as by law they are duly authorized, a series of bonds of one thousand dollars each, at the rate of twenty thousand dollars for each mile of road, all of which bear date the first day of December, one thousand eight hundred and eighty-six, and which are made payable to bearer, on the first day of June, in the year one thousand nine hundred and twenty, for value received, at its agency in the City of New York, with interest from date at the rate of six per centum per annum, payable semi-annually on the first days of June and December in each year, on the presentation and surrender of the proper annexed coupons, the principal and interest of said bonds being payable in gold coin of the present weight and fineness, as fixed by the laws of the United States now in force, and which bonds are also exempt from any income tax that now is or hereafter may be levied or provided for by any law of the United

States; which said bonds, and the interest to become due thereon, all are to be equally secured by these presents, although issued at different times, and to be authenticated by a certificate to be signed by the said trustees, and are to be substantially in the following form:

UNITED STATES OF AMERICA.

STATE OF TEXAS.

THE DALLAS AND GREENVILLE RAILWAY COMPANY.

No..... $1,000.

First Mortgage Gold Bond, Interest at Six per Cent. per Annum, Payable Semi-Annually.

THE DALLAS AND GREENVILLE RAILWAY COMPANY, a corporation organized under and by virtue of the laws of the State of Texas, promises to pay to the bearer, for value received, on the first day of June, in the year one thousand nine hundred and twenty, at its agency in the City of New York, one thousand dollars, with interest from date at the rate of six per cent. per annum, payable semi-annually, on the first days of June and December in each year, on presentation and surrender of the proper annexed coupons; the principal and interest of this bond to be paid in gold coin of the present weight and fineness, as fixed by the laws of the United States now in force, without diminution on account of any income tax that hereafter may be levied or provided for under any law of the United States.

This bond is one of a series of bonds of one thousand dollars each, numbered from one upward, issued twenty to each mile, all of which are equally secured by a deed of trust, bearing date the first day of December, one thousand eight hundred and eighty-six, executed by said Railway Company unto John F. Dillon and Henry B. Henson, trustees, conveying all and singular the entire line of said Company's railway, built and to be built, beginning at the town of Greenville, in Hunt county, extending through the counties of Hunt, Rockwall and Dallas, in a southwesterly direction to the city of Dallas, in Dallas county, and all other lines of railway that may hereafter be acquired or constructed by the said Railway Company under its present charter or any amended charter that may be hereafter adopted; together with all the rolling stock, equipments, materials,

all rights of way and track, depots and shop grounds, tenements and hereditaments, rights and franchises.

Upon default in the payment of interest on this bond for six months after it becomes payable and has been demanded, the trustees may, subject to the provisions of said mortgage, declare the principal of all the bonds immediately payable, and must do so if required by the holders of one-fourth of such bonds outstanding.

This bond shall pass by delivery or by transfer on the books of said Railway Company, and after a registration of the ownership of said bond, certified thereon by the transfer agent of said Railway Company, no transfer of said bond, except upon the transfer book of said Company, shall be valid unless the transfer shall be to bearer, which transfer to bearer shall again render said bond transferable by delivery, and said bond shall continue subject to successive registration and transfer to bearer as aforesaid, at the option of each successive holder, provided the coupons issued with the same, and not due, are attached to said bond when such registration is desired, and not otherwise.

This bond shall not become obligatory until the certificate endorsed thereon is signed by the said trustees or their successor or successors in the trust.

In witness whereof, the said Dallas and Greenville Railway Company has caused this bond to be subscribed by its President and Secretary, and its corporate seal affixed hereto, this first day of December, in the year one thousand eight hundred and eighty-six.

THE DALLAS AND GREENVILLE RAILWAY COMPANY.

By ——— ———, President.

——— ———, Secretary.

COUPON NO. 1.

The Dallas and Greenville, Railway Company will pay to the bearer at its agency in the City of New York, thirty dollars in gold coin on the first day of June, 1887, being six months interest due on that day on Bond No.....

——— ———, Secretary.

TRUSTEES' CERTIFICATE.

It is hereby certified that the Dallas and Greenville Railway Company has executed to John F. Dillon and Henry B. Henson, trus-

tees, a mortgage or deed of trust, as described in the within bond, to secure the same.

_____ _____,
_____ _____,
Trustees.

NOW THEREFORE, THIS INDENTURE WITNESSETH: That the said Dallas and Greenville Railway Company, in order to better secure the payment of the bonds proposed to be issued by the said Railway Company, as hereinbefore set forth, with the interest thereon, unto the person and persons, body and bodies politic and corporate, who may become the holder and holders of said bonds, or any of them, his, her or their executors, administrators, successors or assigns, and in consideration of the sum of one dollar, by the said John F. Dillon and Henry B. Henson, trustees, paid to the said Railway Company, at and before the signing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained, sold, released, conveyed and confirmed, and by these presents do hereby grant, bargain, sell, release, convey and confirm unto the said John F. Dillon and Henry B. Henson, and to their successor or successors in this trust, forever, all and singular the said Dallas and Greenville Railway Company's railway, built and to be built, beginning at the town of Greenville, in Hunt county, extending through the counties of Hunt, Rockwall and Dallas, in a southwesterly direction, to the city of Dallas, in Dallas county, Texas; and all other lines of railway that hereafter may be acquired or constructed by the said Railway Company under its present charter, or any amended charter that may hereafter be adopted, together with all side tracks, turnouts, rolling stock, equipments and materials; all rights of way and tracks, depot and shop grounds, tenements and hereditaments, rights and franchises, including and meaning to include all the property, real and personal, now acquired or which hereafter may be acquired by the said Railway Company, in the State of Texas, used for and pertaining to the operation of said railroad.

TO HAVE AND TO HOLD the said property, things, rights and franchises hereby conveyed or intended so to be, unto the said trustees, or their successor or successors, in trust for the owners and holders of the said bonds, or any of them, subject to the terms and stipulations of said bonds, and of the coupons thereto attached, and subject also to the contract authorized to be made and executed on November fifth, 1886, by the said Dallas and Greenville Railway Com-

pany, for the joint use and occupancy of the track of said Railway Company by the Missouri, Kansas and Texas Railway Company, The St. Louis, Iron Mountain and Southern Railway Company, The East Line and Red River Railroad Company, and the Texarkana and Daingerfield Railway Company, and subject also to the possession, control and management of the Directors of the said Railway Company, so long as said Company shall well and truly perform all and singular the stipulations of said bonds and the covenants of this deed.

That upon the payment of the principal and interest of all the bonds hereby secured, the estate hereby granted to the said party of the second part shall be void, and the right to all the real and personal property hereby granted and conveyed shall revert to, and revest in the said Railway Company, its successors or assigns, in law and equity, without any acknowledgement of satisfaction, reconveyance, surrender, re-entry, or other act.

That in case the said Railway Company, its successors or assigns, shall fail to pay the interest on any of said bonds, at the time when the same shall become due and payable, according to the tenor thereof, and shall continue in such default for six months after such payment has been demanded, at its or their agency in the City of New York, then and thereupon the principal of all the bonds hereby secured shall be and become immediately due and payable, provided the said trustees give written notice to the party of the first part, its successors or assigns, of their option to that effect, while such default continues, which notice they shall be bound to give if required in writing to do so, by the holders of twenty-five per centum of said bonds then outstanding; and that, in such case, or upon the principal of said bonds becoming in any other way due and payable, and remaining unpaid, in whole or in part, after demand thereof, the said trustees, or their successor or successors in the trust, may, in their discretion, and shall, upon the request of the holders of fifty per centum of said bonds then outstanding, with or without entry or foreclosure, take actual possession of said railroad, and of all and singular the property, things and effects hereby conveyed, and personally, or by attorney, manage and operate the same, and receive all the tolls, rents, incomes and profits thereof, until such time as the said bonds and interest thereon are fully paid or satisfied, and shall apply the money so received by it, first, to the expenses of the trust hereby executed, the management of the said railroad and its appurtenances,

and the needful repairs thereof; next, to the payment of interest over due upon the said bonds, and interest upon delayed interest, and afterwards to the payment of the principal of said bonds. And the said trustees, or their successor or successors in the trust, upon becoming entitled to take possession of the railroad and property aforesaid, may, in their discretion, and shall, on the written request of the holders of at least one-half of the bonds then unpaid and outstanding, cause the said premises so mortgaged, to be sold either as an entirety or in such parcels as they shall deem necessary or proper, having due regard to the interests of all parties, to the highest bidder, at public auction, in the City of Dallas, Texas, giving at least sixty days notice of the time, place and terms of such sale, and of the specific property to be sold, and whether the same will be sold as an entirety or in parcels, by publishing such notice in one or more newspapers in the City of Dallas, and in one or more newspapers in the City of New York, once in each week during the term of sixty days, and that, upon receiving the purchase money therefor, the said trustees, or their successors in the trust, shall execute to the purchaser or purchasers thereof, a good and sufficient deed of conveyance, in fee simple, which sale and conveyance shall forever be a bar against the party of the first part, its successors and assigns, and all persons claiming under them, of all right, estate, interest or claim in or to the premises, property, things, franchises, privileges and immunities so sold, or any part thereof, whether the said trustees are in possession thereof or not, and the receipt of the said trustees shall be a full and sufficient discharge to each purchaser, and no purchaser holding such receipt shall be liable for the proper application of the purchase money, or in any way bound to see that the same is applied to the uses of this trust, or in any manner answerable for its loss or misapplication, or bound to inquire into the authority for making such sale, and such sale to a purchaser in good faith shall be valid, whether said notice is given or not, and whether default in payment has been made or not.

That the said trustees shall, after deducting from the proceeds of such sale the cost and expenses thereof, and of the execution of this trust, and all payments for taxes, assessments and counsel fees, and their reasonable compensation, apply so much of the proceeds as may be necessary to the payment of the principal and interest remaining unpaid upon said bonds and coupons, together with interest upon over-due coupons down to the time of sale, without giving preference to either principal or interest; it being the intention of this in-

denture that so long as the railroad and its appurtenances shall be managed by the trustees or a receiver as a going concern, the income shall be applied to the payment of interest in preference to the principal, but that, after a sale of the railroad and its appurtenances no such preference shall be made in the distribution of the proceeds.

That upon any sale of the said premises, whether by the trustees or under decree of the court, the holders of the bonds hereby secured, or any of them, or the said trustees on behalf of all the bondholders, shall have a right to purchase upon equal terms with other persons, and it shall be the duty of the said trustees, if so required in writing, a reasonable time before such sale, by the holders of a majority in value of the outstanding bonds secured hereby, and upon being offered at the same time, adequate indemnity against all liability to be incurred thereby, to make such purchase on behalf of all the bondholders, at a reasonable price, if part only of the property hereby conveyed is sold, or in case the whole property is sold, at a price not exceeding the whole amount, principal and interest, due or accruing upon said bonds, together with the expenses of the proceedings and sale; and the bonds secured by this mortgage shall be receivable at such sale as cash, for the amount of cash which would be payable on such bonds out of the proceeds of such sale.

That in case of the purchase of said property, or any part thereof, by the trustees, the same shall be held for the benefit of all the bondholders in proportion to their respective interests in the bonds, and that the property thus purchased shall be conveyed to such persons or corporations as may be designated by a majority in value of the bondholders present at a meeting of the bondholders in the city of New York, regularly called by the trustees, upon reasonable public notice published in two newspapers of that City; provided that such conveyance shall be made on such terms as will, in the judgment of said trustees, secure to each and every bondholder his just proportion of interest in the property purchased as aforesaid.

That it is hereby expressly agreed that in no case shall any claim, benefit or advantage be taken by the said Railway Company, its successors or assigns, of any valuation, appraisement, extension or relief laws, to prevent such entry or sale as aforesaid, and that nothing herein contained shall be construed as limiting the right of the said trustees to apply to the court for judgment or decree of foreclosure and sale under this indenture, or for the usual relief in the course of such proceedings; and the said trustees may, in their dis-

cretion, apply to any competent court for relief by way of foreclosure or otherwise, if so advised by counsel, instead of taking possession of or selling the said property when required to do so by bond-holders.

That the said Railway Company may dispose of the current net revenue and income of all the said property and railways hereby conveyed, in such manner as it may deem best, until default shall be made in the payment of the interest or principal of said bonds, or of any one or more of them, and shall have the right to sell and dispose of any such real estate or other property as it may own or acquire, which may not be needed or required for the purpose and business of said railway, and which sale and conveyance of said property shall transfer the said property and title free from the incumbrance of this mortgage or deed of trust, and to change its track and make any and all alterations necessary for the benefit of the same.

That the bonds secured herein, except as to the first thirty-five miles, namely, bonds to the amount of seven hundred thousand dollars which the trustees are hereby authorized and directed to certify upon demand of the President of the party of the first part, are to be issued at the rate only of twenty thousand dollars per mile of completed road, as follows: that is to say, one hundred bonds may be issued for each five miles of railway as the same may be completed, on the affidavit of the Chief Engineer of said Railway Company, that five miles have been so completed and are ready for use. And it is agreed between the parties hereto and made part of the contract with the holders of the bonds secured hereby, that the trustees herein shall not be required to look beyond the affidavit of the Chief Engineer as herein provided, and shall not be responsible in any event for an act done in pursuance of such affidavit.

That it is further mutually agreed by and between the parties hereto, and is hereby declared to be a condition upon which the said party of the second part and their successor or successors in the trust hereby created have assented to these presents and accepted this trust, that the said trustees and their successors in this trust shall not in any manner be held responsible for the act of any co-trustee, or of any person employed by them, unless guilty of culpable negligence in the selection of such employe; nor shall the trustee be answerable except for his or their own willful default.

That the parties of the second part, or their successor or successors, shall be authorized to pay such reasonable compensation as they

shall deem proper, to all the attorneys, officers, agents, servants and employes whom they may reasonably employ in the management of this trust; and that the said trustees and their successor or successors shall have and be entitle to just compensation for all services they may render in connection with the trust hereby created, to be paid by the party of the first part, or out of the trust estate.

That the bonds hereinbefore described, and hereby secured, shall pass by delivery or by transfer on the books of said Railway Company, and that after the registration of the ownership of said bonds, certified thereon by the Transfer Agent of said Railway Company, no transfer of said bonds, except upon the transfer books of said Company shall be valid, unless the last transfer shall be to bearer, which transfer to bearer shall again render said bonds transferable by delivery; and that said bonds shall continue subject to successive registration and transfer to bearer as aforesaid, at the option of each successive holder, provided the coupons issued with the same, and not due, are attached to said bonds, when such registration is desired, and not otherwise; and to this end the said Railway Company shall keep in the City of New York a registration or transfer office, with the necessary books, in which the registration and transfer of said bonds may be made as above provided.

That for the purpose of designating the rolling stock which shall belong to the line of railway hereby mortgaged, it is hereby agreed by and between the parties hereto, that the said Railway Company will mark, in some substantial manner, all engines and cars of each and every class purchased by it, with either the name of said Company or the initials of its name.

That the said Railway Company, its successors and assigns, further covenants and agrees with the said trustees and their successors in the trust, to make, execute and deliver all such further deeds, instruments and assurances as may from time to time be necessary, and as the said trustees or their successors in the trust may be advised by counsel learned in the law, to be necessary for the better securing to the parties of the first part, their successor or successors in the trust, the premises hereby conveyed, and for carrying out the objects and purposes of this indenture. That the said Railway Company covenants and agrees with the said trustees and their successors in the trust, that it will, from time to time, pay all the expenses of this trust, including the compensation and expenses of the transfer agent herein provided for.

In case a vacancy shall occur in this trust, from any cause whatever, it shall be lawful for the said Railway Company, or any of the bondholders, to apply in writing to the then Chief Justice of the Supreme Court of the State of Texas to appoint another trustee or trustees to supply the vacancy; and in the event that said application be made by any of the bondholders, then and in that case, notice of said application shall be given to said Railway Company at least ten days before said vacancy shall be filled; and the said Chief Justice is hereby authorized, upon application and notice as aforesaid, without legal proceedings, to appoint one or two trustees to fill the vacancy; and the trustee or trustees so appointed shall be vested with all the title, powers, duties and estates possessed under this instrument by the said John F. Dillon and Henry B. Henson, trustees herein named.

In witness whereof, the said Dallas and Greenville Railway Company has caused this instrument to be subscribed in its name by its Vice President [the President being absent from the State] and Secretary, and attested by its corporate seal; and the said trustees, for the purpose of testifying to their acceptance of the trust hereby created, have also subscribed their names.

THE DALLAS AND GREENVILLE RAILWAY COMPANY,
[L. S.] By JAS. A. BAKER,
Vice President.

Attest:
D. S. H. SMITH,
Secretary.

JOHN F. DILLON.
HENRY B. HENSON.

STATE OF NEW YORK, }
County of New York, } ss:

Be it known, that on the 30th day of November, one thousand eight hundred and eighty-six, before me, W. W. Cotton, a Notary Public in and for the State of New York, duly commissioned and sworn, personally came and appeared John F. Dillon and H. B. Henson, to me personally known, and known to me to be the same persons described in, and who executed the within mortgage or trust indenture, and said John F. Dillon and said H. B. Henson severally acknowledged the same to be their act and deed; and that they exe-

cuted the same for the purpose and consideration therein expressed.

In testimony whereof, I have hereunto subscribed my name and affixed my seal of office, the day and year last above written.

W. W. COTTON,

[L. S.] Notary Public, Kings County, N. Y.

STATE OF TEXAS, }
County of Harris. }

Before me, H. M. Curtin, a Notary Public in and for the said State and county, on this day personally appeared Jas. A. Baker, Vice President and acting President of The Dallas and Greenville Railway Company, known to me to be the person whose name is subscribed to the foregoing instrument of writing, and acknowledged to me that he had signed the same in his capacity of Vice President and acting President for the purposes and consideration therein expressed.

Given under my hand and seal of office at Houston, Texas, this thirteenth day of December, 1886.

H. M. CURTIN,

[L. S.] Notary Public, Harris County, Texas.

The Dallas and Greenville Railway Company

TO

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY.

CONTRACT OF SALE.

THIS INDENTURE AND CONTRACT, made on the day of , in the year of our Lord one thousand eight hundred and eighty-six, by and between the DALLAS AND GREENVILLE RAILWAY COMPANY, a corporation created by and under the laws of the State of Texas, party of the first part, and the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, a corporation created under the laws of the States of Kansas and Missouri, and having corporate rights and franchises under the laws of Texas, party of the second part.

WITNESSETH:

THAT WHEREAS, The railroad of the party of the first part connects with the railroad of the party of the second part at both Dallas and Greenville; and,

WHEREAS, The party of the second part is the owner of a majority of the capital stock of the party of the first part; and,

WHEREAS, The party of the second part has corporate power and authority to purchase, lease, join stocks and unite or consolidate with, and to acquire and merge into itself all or any part of the property, rights, privileges and franchises of any connecting railroad company;

NOW, THEREFORE, THIS INDENTURE AND CONTRACT FURTHER WITNESSETH:

That the said party of the first part, for and in consideration of the

sum of one hundred dollars, lawful money of the United States, to it in hand paid at and before the ensealing and delivery of these presents, receipt whereof is hereby acknowledged, and for other and further lawful considerations, hereinafter mentioned, hath merged itself into the party of the second part, under its own proper and corporate name of the Missouri, Kansas and Texas Railway Company, on the terms and conditions herein and hereby agreed upon and contained, by granting, bargaining, selling, aliening, remising, assigning, transferring, conveying and confirming unto the party of the second part, its successors and assigns, all the franchises, corporate rights and privileges of the said party of the first part, its successors and assigns, together with its track, road-bed, railroad, buildings, rolling stock, engines, tools, bonds, stocks, grants, privileges, property, real and personal, and every right, title and interest in or to any franchises, real or personal, and all rights of every name and kind which the party of the first part possesses, or in which the party of the first part has any right, privilege or interest, situated and being in the State of Texas, or elsewhere; the object and intent of this contract, conveyance and agreement being to so merge the rights, powers and privileges of the party of the first part into the party of the second part, as that the party of the second part, under its own charter, corporate name and organization, shall, without impairing any existing right, exercise in addition thereto all the powers, privileges and franchises, and own and control all railroads and properties that the party of the first part now exercises or owns, or by its charter, or the laws, it has the right to own, exercise or control;

Provided, however, that the corporate franchises of the party of the first part, to be and remain a corporation until such time as may be hereafter agreed upon for its dissolution, shall not be impaired or infringed upon by anything contained in this contract and indenture; and

Provided also, that nothing herein contained is intended to or shall impair any legally existing contract, by mortgage or otherwise, of the party of the first part, and especially the mortgage authorized to be made and executed on November 5th, 1886, to John F. Dillon and Henry B. Henson, trustees, dated the first day of December, 1886, to secure bonds to be issued from time to time according to its terms and conditions; and also especially to the contract authorized to be made and executed on November 5th, 1886, for the joint use and occupancy of the track of said Railway Company by the Missouri, Kansas and Texas Railway Company, the St. Louis, Iron Mountain and

Southern Railway Company, and the Daingerfield and Texarkana Railway Company when organized, subject to which said mortgage and all bonds that are or may be issued thereunder, and to said contract for joint use and occupancy, this contract and conveyance is taken by said second party hereto. And the said party of the second part hereto, as a further consideration for this contract and conveyance, is to perform and fulfill all the charter obligations of the party of the first part to the State of Texas and to the public.

The corporate existence of the party of the first part shall be maintained, and its power to carry out all the existing contracts and obligations remains unimpaired.

This conveyance is duly authorized by the corporate action of the party of the first part.

In witness whereof, the said Dallas and Greenville Railway Company, party of the first part, has caused this instrument to be subscribed by its Vice President, [its President being absent from the State,] and Secretary, and the corporate seal of said Company to be affixed thereto, this day of , one thousand eight hundred and eighty-six.

DALLAS AND WACO

RAILWAY COMPANY.

The Dallas and Waco Railway Company was organized under the general laws of the State of Texas, by Articles of Association, dated December 17th, 1886, which were filed in the office of the Department of State December 23d, 1886.

Under its charter, it was authorized to construct, maintain and operate a railway from Dallas, in Dallas county, Texas, through the counties of Dallas, Ellis, Hill and McLennan, to the City of Waco, in McLennan county, Texas, a distance of ninety miles.

At a meeting of the Board of Directors, held January 13th, 1887, a resolution was passed, authorizing and instructing the President to contract, as early as practicable, for the construction of the road of said Company, including the furnishing of the rails, ready for use, and to report such contract as he might make to the Board.

At a meeting of the Board of Directors of this Company, held on January 25th, 1887, the President was instructed to make contract with Guy Phillips, of the City and State of New York, for the construction and completion of its line of railway, and prescribing the form of contract to be made; the consideration to be paid said

Phillips to be twenty thousand dollars per mile of the first mortgage six per cent. bonds, and ten thousand dollars per mile of the full paid capital stock of the Company, for each and every mile of railroad so constructed.

At a meeting of the Board of Directors, held January 25th, 1887, a resolution was passed calling a meeting of the stockholders of the Company, on the 7th of April, 1887, to determine whether the Company would issue a series of bonds of twenty thousand dollars per mile and secure their payment by mortgage, or trust deed, on said railway, its franchises, all its corporate property, rights and appurtenances.

At a meeting of the stockholders of the Company, held April 7th, 1887, resolutions were passed authorizing the proper executive officers of the Company to make and execute the bonds of the Company, to the extent of twenty thousand dollars per mile, on the entire length of its railway, built and to be built; said bonds to be issued only as fast as said railroad should be built, and not in advance thereof, and to be on equality, as far as regards security for the payment thereof, notwithstanding that they may be issued after their date, and at different times, and signed by officers of said Company who may be successors to those now representing it, and certified to by trustees who may be successors to those named in the deed of trust securing said bonds; said bonds to bear date the 7th day of April, 1887, and payable to bearer thirty years after the 1st day of April, 1887, for one thousand dollars each, in the gold coin of the United States, and bearing interest at the rate of six per cent. per annum, payable semi-annually. It was also resolved that said executive officers be authorized and instructed to make, execute and deliver, in the name of the Com-

pany, a mortgage, or trust deed, conveying to John F. Dillon and Henry B. Henson, as trustees, the Company's line of railway, its franchises and corporate property, to secure the payment of the bonds issued in pursuance of the foregoing resolutions.

At a meeting of the Board of Directors, held on May 20th, 1887, a meeting of the stockholders was called, to be held on the 28th day of July, 1887, to rescind the proceedings of the stockholders of the 7th April, 1887, authorizing the mortgage in the form then prescribed by said meeting, and then and there to consider and determine whether said Company will issue bonds and mortgages in accordance with the resolution of the Board of Directors, of date January 27th, 1887. A resolution was also passed, rescinding and repealing the resolution passed 7th of April, 1887, authorizing the executive officers to sign and execute the bonds and mortgage.

At a meeting of the Board of Directors of the Dallas and Waco Railway Company, held on the 15th day of July, 1887, a resolution was passed, authorizing the President, in the name of the Company, to make and enter into a contract with the Missouri, Kansas and Texas Railway Company and the St. Louis, Iron Mountain and Southern Railway Company for the joint use of this Company's track, from Dallas to Waco, when completed.

At a meeting of the stockholders of the Company, held on the 28th of July, 1887, a resolution was passed repealing the resolution passed on April 7th, 1887, by the stockholders authorizing the issuing of the bonds of said Company at the rate of twenty thousand dollars per mile, and the mortgage of all of its corporate property and franchises to secure their payment; in this resolution

it was declared that said bonds or mortgage were never issued nor made.

At this meeting of the stockholders a resolution was passed authorizing the proper executive officers of the Company to make and execute the bonds of the Company, to the extent of twenty thousand dollars per mile on the entire length of its railway, built and to be built, said bonds to be issued only as fast as said railway shall be built, and not in advance thereof, and to be on an equality so far as regards security for the payment thereof, and notwithstanding they may be issued after their date, and at different times, and signed by the officers of said Company who may be successors to those now representing it, and certified by trustees who might be successors to those named in the deed of trust securing said bonds; said bonds to bear date June 1st, 1887, and payable to bearer thirty years after the 1st day of June, 1887, for one thousand dollars each, in gold coin of the United States, to bear interest at the rate of six per centum per annum, payable semi-annually. It was further resolved that said executive officers be authorized to make, execute and deliver, under the corporate seal of the Company, a mortgage, or trust deed, bearing date June 1st, 1887, conveying to John F. Dillon and Henry B. Henson, as trustees, to secure the payment of said bonds and interest thereon, (but subject to the contract authorized and executed on the 15th of July, 1887, by this Company, for the joint use and occupancy of the track of said Railway Company by the Missouri, Kansas and Texas Railway Company and the St. Louis, Iron Mountain and Southern Railway Company), the said Company's railway, built and to be built, from Dallas, Texas, to the city of Waco, and all other lines and extensions that might be built thereafter by said Company un-

der its then charter, or any amendment thereof thereafter procured, together with its franchises, and all of its rolling stock, equipments and all other property, real and personal, appertaining to the operation of said railway.

In the order made by the Honorable Circuit Court of the United States for the District of Kansas, in the eighth circuit, on the 25th day of September, 1888, in the suit of the Mercantile Trust Company, trustee, complainant, vs. Missouri, Kanas and Texas Railway Company and the Missouri Pacific Railway Company, defendants, wherein George A. Eddy and Harrison C. Cross were appointed Receivers of the property of the Missouri, Kansas and Texas Railway Company, coverered by the general mortgage and the several supplementary mortgages thereto, it was ordered and provided: "It appearing to the Court that the Missouri, Kansas "and Texas Railway Company has commenced or pro- "moted the construction of a branch railroad from Dal- "las, in the State of Texas, to or towards Waco, in said "State, and has expended a very considerable sum of "money thereon, and that the Company constructing "said road is under a statutory obligation to complete "and equip at least ten miles of the same prior to the "26th day of December, 1888, and upon such comple- "tion, the said Missouri, Kansas and Texas Railway "Company will be entitled to certain stocks and bonds, "and upon failure so to complete, will forfeit all of the "corporate franchises and rights to said branch railroad; "wherefore, the Receivers are authorized, if in their "judgment it shall be to the best interest of all parties "concerned, to build and equip the ten miles of said "road, and in all respects to comply with the statutory "requirements of the State of Texas in relation thereto."

In the same cause, the Honorable Circuit Court, on March 22d, 1889, made its order as follows:

"The petition of the Receivers asking advice and direction from the Court as to whether they shall be authorized to complete the branch line of road from Lancaster to Waxahachie, Texas, having been presented to this Court, and having fully considered the same, and being fully advised in the premises, it is ordered that the said Receivers be, and are hereby authorized to complete the line of railroad from Lancaster to Waxahachie, State of Texas, and for that purpose to purchase the necessary materials, and employ the necessary labor, and to pay for the same out of the earnings of the said railway in their possession."

ARTICLES OF INCORPORATION

OF THE

DALLAS AND WACO RAILWAY COMPANY.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, subscribers to the capital stock of the Railway Company hereinafter designated and named, desiring to form ourselves into a corporation, for the purpose of constructing, owning, maintaining and operating a railway and telegraph line along it, for the purpose of operating said railway, pursuant to the laws of the State of Texas, do hereby adopt the following Articles of Incorporation:

Article 1. The name of said corporation shall be the Dallas and Waco Railway Company.

Article 2. It is intended to construct said railway from Dallas, in Dallas county, Texas, through the counties of Dallas, Ellis, Hill and McLennan, Texas, a distance of ninety miles.

Article 3. The principal business office of said railway corporation shall be established and maintained at Dallas, in Dallas county, Texas.

Article 4. Said corporation shall commence from the date at which the articles shall be filed and recorded in the office of the Secretary of State for the State of Texas; and shall continue fifty years.

Article 5. The capital stock of said corporation shall be one million eight hundred thousand dollars, divided into eighteen thousand shares of one hundred dollars each.

Article 6. The names and places of residence of the several persons forming this association for incorporation, are as follows: Jas. A. Baker, of Harris county, Texas; G. J. Gooch, of the same county and State; W. H. Abrams, of Dallas, Dallas county, Texas; E. M. Beckwith, of the same county and State; William Kerrigan, of the City of St. Louis, Missouri; W. A. Newman, of the same city and State; George C. Smith, of the same city and State; George Dumble, of Houston, Texas; M. Looscan, of Houston, Texas; L. M. Rich, of Houston, Texas.

Article 7. The government of said corporation and the management of its affairs shall be vested in a Board of Directors, consisting of seven stockholders, and the names of the members of the first Board of Directors and the places of their residence are as follows: Jas. A. Baker, of Harris county, Texas; G. J. Gooch, of Harris county, Texas; W. H. Abrams, of Dallas county, Texas; E. M. Beckwith, of Dallas county, Texas; Wm. Kerrigan, of the City of St. Louis, Mo.; W. A. Newman, of the City of St. Louis, Mo.; Geo. C. Smith, of the City of St. Louis, Mo.

Witness our hands, this 17th day of December, 1886.

(Signed) JAS. A. BAKER,
G. J. GOOCH,
W. H. ABRAMS,
E. M. BECKWITH,
WM. KERRIGAN,
W. A. NEWMAN,
GEO. C. SMITH,
GEO. DUMBLE,
M. LOOSCAN,
L. M. RICH.

THE STATE OF MISSOURI, }
City of St. Louis. }

Before me, Stephen D. Barlow, a Notary Public in and for the city and State aforesaid, duly commissioned, sworn and acting, this day personally appeared George C. Smith, W. A. Newman and Wm. Kerrigan, each of whom is known to me to be a Director named in the Articles of Incorporation of the Dallas and Waco Railway Company, and which Articles are hereto prefixed for certainty of identi-

ty, and being by me duly sworn, each of them says on oath that he is a Director named in said Articles of Incorporation; and that stock to the amount of one thousand dollars for every mile of said road so intended to be built, has in good faith been subscribed, and that five per cent. of the amount subscribed has been paid in to the Directors named said Articles of Incorporation.

(Signed) GEO. C. SMITH,
W. A. NEWMAN,
WM. KERRIGAN.

Sworn to and subscribed before me, this 20th day of December, 1886.

(Signed) STEPHEN D. BARLOW,
[L. S.] Notary Public.

ATTORNEY GENERAL'S OFFICE,
AUSTIN, December 23, 1886.

This is to certify that the original Articles of Incorporation of the Dallas and Waco Railway Company were submitted to me on the twenty-third day of December, 1886, and that having carefully examined the same I find them in accordance with the provisions of chapter one, title eighty-four, of the Revised Statutes of Texas, and not in conflict with the laws of the United States or of the State of Texas.

As witness my official signature and the seal of said office.

JOHN D. TEMPLETON,
[L. S.] Attorney General.

[ENDORSED.]

Articles of Incorporation of the Dallas and Waco Railway Company. Filed for record in the Department of State, December 23, A. D. 1886.

(Signed) J. W. BAINES,
Secretary of State.

THE STATE OF TEXAS, }
DEPARTMENT OF STATE. }

I, Jos. W. Baines, Secretary of State of the State of Texas, do hereby certify that the foregoing is a true copy of the original charter of the Dallas and Waco Railway Company, with endorsements thereon, as now appears of record in this department.

Witness my official signature and the seal of State affixed, at the City of Austin, this 27th day of December, A. D. 1886.

J. W. BAINES,
[L. S.] Secretary of State.

DALLAS AND WACO

RAILWAY COMPANY.

CONSTRUCTION CONTRACT.

THIS AGREEMENT, made and entered into this day of January, one thousand eight hundred and eighty-seven, by and between THE DALLAS AND WACO RAILWAY COMPANY, a corporation duly organized under the laws of the State of Texas, party of the first part, and GUY PHILLIPS, of the City and State of New York, and his successors or assigns, party of the second part;

WITNESSETH:

WHEREAS, The party of the first part desires the construction of its line of railway extending from Dallas, in Dallas, county, Texas, to Waco, in McLennan county, Texas,a distance of about ninety miles;

AND WHEREAS, The party of the second part, under an informal understanding, has been engaged in the construction of said railway, and is willing to complete the same upon the terms hereinafter provided;

NOW, THEREFORE, the party of the second part,—the party of the first part keeping and performing its agreements hereinafter contained,—hereby agrees with said party of the first part, that he will construct and complete said line of railway ready for operation, in a good and workmanlike manner, as good in all respects as the present lines of railway of the Missouri, Kansas and Texas Railway Company in said State of Texas:

That the rails to be placed thereon shall be of an approved pattern of steel rails, and weigh not less than fifty-six pounds to the yard; that the ties used thereon shall equal at least twenty-five hundred to the mile;

That he will build suitable and sufficient station houses for freight and passengers; that the bridge or bridges that may occur on said line shall be good and substantial bridges of a pattern to be approved by the Engineer of the party of the first part;

That he will complete said railway ready for the running of trains thereon within months from the date hereof; it being understood and agreed that if the construction of said railway is delayed, or the party of the second part in any manner hindered or delayed by the action of any court, by injunction or by legal proceedings in procuring right of way, that the delay in time so caused shall be added to the time above limited for completing said railroad.

The party of the first part hereby agrees with the party of the second part, he building said railroad in manner and form as hereinbefore provided, that it will pay to the party of the second part for building and completing said railroad as follows: Twenty thousand dollars per mile of the first mortgage six per cent. bonds, and ten thousand dollars per mile of the full paid capital stock of said party of the first part, for each and every mile of said railroad so constructed.

In witness whereof, the said party of the first part has caused this agreement to be subscribed in its corporate name by its President, and its seal to be hereunto affixed, and the said party of the second part has subscribed his name hereto, the day and year first above written.

The Dallas and Waco Railway Company

AND

The Missouri, Kansas and Texas Railway Company,

WITH THE

St. Louis, Iron Mountain and Southern Railroad Company.

CONTRACT FOR JOINT USE OF TRACK.

THIS AGREEMENT, made and entered into this 15th day of July, 1887, by and between the DALLAS AND WACO RAILWAY COMPANY, a corporation organized under the laws of the State of Texas, and the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, a corporation organized under the laws of Kansas, and under an act of the legislature of the State of Texas owning certain lines of railway in said State of Texas, parties of the first part, and the ST. LOUIS, IRON MOUNTAIN AND SOUTHERN RAILWAY COMPANY, a corporation organized under the laws of the States of Missouri and Arkansas, party of the second part;

WHEREAS, The said Dallas and Waco Railway Company is about constructing its line of railway from Dallas, in Dallas county, State of Texas, through the counties of Dallas, Ellis, Hill and McLennan, in said State of Texas, via Waco, a distance of about ninety miles;

AND WHEREAS, Negotiations for the acquisition by the said Missouri, Kansas and Texas Railway Company of the railway and property of said Dallas and Waco Railway Company, are now pending;

AND WHEREAS, Under and by virtue of a certain agreement heretofore entered into between the said Missouri, Kansas and Texas

Railway Company and the Dallas and Greenville Railway Company, of the one part, and the party hereto of the second part, and the Texarkana and Daingerfield Railway Company, of the other part, each of said Companies acquired the right of joint use and occupancy of the other's line of railway, constituting a part of the through line of railway between Texarkana and Dallas;

And Whereas, The interests of the parties to this agreement will be mutually promoted by the joint use and occupancy of the line of railway of said Dallas and Waco Railway Company, as an extension of the line between Texarkana and Dallas, the joint use and occupancy of which was granted in and by the agreement hereinbefore referred to;

Now, therefore, this Agreement witnesseth:

First. That the said parties of the first part do hereby severally give and grant unto the said party of the second part, a joint use and occupancy of the said line of railway between Dallas and Waco, or such other point in McLennan county as said railway may terminate, with the privilege and right of running the trains of the said second party in either direction over said railway, and of collecting the tolls and revenues from freight and passengers transported between said points and points beyond on the line of said second party, upon the terms and conditions hereinafter prescribed.

Second. The said second party hereby agrees to pay to said Dallas and Waco Railway Company, or in case the said Dallas and Waco Railway Company shall have been acquired by the said Missouri, Kansas and Texas Railway Company, to pay to said Missouri, Kansas and Texas Railway Company as compensation for such joint use and occupancy of the said railway between Dallas and Waco, or other point of termination, so granted as aforesaid, one-half of the interest accruing during the continuance of this agreement upon the bonds actually issued and outstanding upon the line of railway so jointly used and occupied, as herein provided, and in addition thereto such proportion of the cost of maintenance of such railway, including taxes and assessments, as the traffic based on wheelage of the party of the second part passing over said railway, bears to the whole amount of traffic over such railway.

Third. It is understood and agreed between the parties hereto that when the line of railway of said Dallas and Waco Railway Company shall have been completed in good running order, and the

time for such joint use and occupancy shall have arrived in accordance with the provisions of this agreement, the said railway shall be placed in charge of a Superintendent to be agreed upon and appointed by the parties to this agreement, whose duty it shall be to attend to the maintenance of such road, and to establish such police regulations as shall be necessary and proper in the handling of trains over said line; and it shall be the duty of such Superintendent to examine and certify as to the accuracy of all bills for maintenance and other expenditures for joint account, and all such accounts shall be audited monthly, and statements in detail forwarded to each party on or before the twentieth of each month, covering all expenditures and liabilities for joint account to and including the last day of the preceding month, and all such accounts shall be adjusted, and all audited bills paid within ten days after such monthly statement of account shall have been furnished.

Fourth. It is further agreed to be the true intent and meaning of this agreement that each party shall be placed on an equality in the joint use and occupancy of the railway between Dallas and Waco, or other terminus of said Dallas and Waco Railway Company, and that the trains of each party shall be run over the same between said points without interruption.

Fifth. It is further agreed that the joint use and occupancy of said railway between Dallas and Waco, or other terminus, shall commence immediately upon the completion of the railway of said Dallas and Waco Railway Company to Hillsborough, in Hill county, State of Texas, provided the railway of the Texarkana and Daingerfield Railway Company, between Texarkana and Daingerfield, shall then have been completed ready for operation, shall continue for and during the period of ninety-nine years thereafter, and that the compensation herein specified and agreed upon shall be paid quarterly on the first days of January, April, July and October in each year.

Sixth. It is further agreed that in case any dispute shall arise as to the construction of this agreement, the question shall be submitted to two arbitrators, one to be named by each party hereto, and if they cannot agree, they shall call in a third, whose decision shall be final in the matter.

Seventh. It is understood and agreed that neither party hereto shall be liable for any of the contracts, defaults or negligences of the

other party hereto, and if so held liable, shall be entitled to reimbursement, to be paid at the same time and in the same manner as compensation for joint use and as a part thereof, but in addition to the amount in this agreement provided.

Eighth. It is further agreed that if the aforesaid compensation shall at any time be and remain in default for a period of six months after demand, the parties of the first part shall be entitled to treat such default as a breach of contract, and to repossess themselves of their property.

Ninth. It is expressly agreed that the mortgage to be made by the said Dallas and Waco Railway Company, to secure first mortgage bonds upon its railway and property, shall be executed subject to the provisions of this agreement.

In witness whereof, the said Dallas and Waco Railway Company, the Missouri, Kansas and Texas Railway Company and the St. Louis, Iron Mountain and Southern Railway Company have caused this agreement to be signed by their respective Presidents, and attested by their respective corporate seals, the day and year first above written, by authority of the Board of Directors.

DALLAS AND WACO

RAILWAY COMPANY.

FIRST MORTGAGE.

THIS INDENTURE, made the 30th day of July, in the year one thousand eight hundred and eighty-seven, between THE DALLAS AND WACO RAILWAY COMPANY, a corporation organized under and by virtue of the laws of the State of Texas, party of the first part, hereinafter called "Railway Company," and JOHN F. DILLON and HENRY B. HENSON, of the city and State of New York, and hereinafter called "Trustees," parties of the second part,

WITNESSETH:

THAT WHEREAS, The Dallas and Waco Railway Company, to meet the cost and expense of constructing, completing and putting into operation its railway in the State of Texas, which is to extend from Dallas, in Dallas county, Texas, through the counties of Dallas, Ellis, Hill and McLennan, to the city of Waco, in said McLennan county, a distance of about ninety miles, has resolved to issue and negotiate, as by law and the action of it stockholders it is authorized to do, a series of bonds of one thousand dollars each, at the rate of twenty thousand dollars for each mile of completed road, all of which bear date the first of June, one thousand eight hundred and eighty-seven, and are made payable to bearer thirty years after the first day of June, one thousand eight hundred and eighty-seven, for value received, at its agency in the City of New York, with

interest from date at the rate of six per centum per annum, payable semi-annually, on the first days of December and June of each year, on presentation and surrender of the proper annexed coupons, the principal and interest of which bonds being payable in gold coin of the present weight and fineness, as fixed by the laws of the Congress of the United States of America now in force, and which bonds are also exempt from any income tax that may be levied or provided by any law of the United States; all which said bonds, and the interest to become due thereon, are to be equally secured by these presents, although issued at different times, and are to be authenticated by a certificate to be signed by the said trustees, and which bonds and certificate are to be substantially in the following form:

UNITED STATES OF AMERICA.

STATE OF TEXAS.

THE DALLAS AND WACO RAILWAY COMPANY.

No..... $1,000.

First Mortgage Gold Bond, Interest at Six per Cent. per Annum, Payable Semi-Annually.

THE DALLAS AND WACO RAILWAY COMPANY, a corporation organized under and by virtue of the laws of the State of Texas, promises to pay to the bearer, for value received, thirty years after the first day of June, in the year one thousand eight hundred and eighty-seven, at its agency in the City of New York, one thousand dollars, with interest at the rate of six per centtum per annum, payable semi-annually, on the first days of June and December in each year, on the presentation and surrender of the proper annexed coupons; the principal and interest of this bond to be paid in gold coin of the present weight and fineness, as fixed by the laws of the United States now in force, without diminution on account of any income tax which hereafter may be levied or provided for under any law of the United States.

This bond is one of a series of bonds of one thousand dollars each, numbered from one upwards, issued at the rate of twenty to each mile of completed road, all of which are equally secured by a deed of trust, bearing date the first day of June, one thousand eight hundred and

eighty-seven, executed by said Railway Company unto John F. Dillon and Henry B. Henson, as trustees, conveying all and singular the entire line of said Company's railway, built and to be built, beginning at the city of Dallas, in Dallas county, Texas, and extending thence through the counties of Dallas, Ellis, Hill and McLennan, to the city of Waco, in the last named county, a distance of about ninety miles, and all other lines of railway that may be hereafter acquired or constructed by the said Railway Company under its present charter or any amended charter that may be hereafter adopted, together with all the rolling stock, equipments, materials, rights of way and tracks, depots, depot and shop grounds, tenements and hereditaments, appurtenances, rights, privileges and franchises.

Upon default in the payment of interest on this bond for six months after it becomes payable and has been demanded, the trustees may, subject to the provisions of said mortgage, declare the principal of all the bonds immediately payable, and must do so if required by the holders of one-fourth of all such bonds outstanding.

This bond shall pass by delivery or by transfer on the books of said Railway Company, but after a registration of the ownership of said bond, certified thereon by the transfer agent of said Railway Company, no subsequent transfer, except upon the transfer books of said Company, shall be valid, unless the transfer shall be to bearer, and when made to bearer shall again render said bond transferable by delivery, and shall continue subject to successive registration and transfer to bearer as aforesaid, at the option of each successive holder, provided the coupons issued with the same, and not due, are attached to said bond when such registration is desired, and not otherwise.

This bond shall not become obligatory until the certificate endorsed thereon is signed by the said trustees or their successor or successors in the trust.

In witness whereof, the said Dallas and Waco Railway Company has caused this bond to be subscribed by its President and Secretary, and its corporate seal affixed hereto, this first day of June, A. D. 1887.

THE DALLAS AND WACO RAILWAY COMPANY.

By ——— ———, President.

——— ———, Secretary.

$30.00 COUPON NO. 1. $30.00

The Dallas and Waco Railway Company will pay to the bearer at its agency in the City of New York, thirty dollars in gold coin on the first day of December, 1887, being six months interest on Bond No.....

——— ———, Secretary.

TRUSTEES' CERTIFICATE.

It is hereby certified that the Dallas and Waco Railway Company has executed to John F. Dillon and Henry B. Henson, trustees, a mortgage or deed of trust, as described in the within bond, to secure the same.

——— ———,
——— ———,
Trustees.

NOW THEREFORE, THIS INDENTURE WITNESSETH: That the said Dallas and Waco Railway Company, in order to better secure the payment of the bonds proposed to be issued by the said Railway Company, as hereinbefore set forth, with the interest thereon, unto the person and persons, body and bodies politic and corporate, who may become the holder and holders of said bonds, or any of them, his, her or their executors, administrators, successors or assigns, and in consideration of the sum of one dollar, by the said John F. Dillon and Henry B. Henson, trustees, paid to the said Railway Company, at and before the signing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained, sold, released, conveyed and confirmed, and by these presents do hereby grant, bargain, sell, release, convey and confirm unto the said John F. Dillon and Henry B. Henson, and to their successor or successors in this trust, forever, all and singular the said Dallas and Waco Railway Company's railway, built and to be built, beginning at the town of Dallas, in Dallas county, extending through the counties of Dallas, Ellis, Hill and McLennan to the city of Waco, in the last named county, a distance of about ninety miles; and all other lines of railway that hereafter may be acquired or constructed by the said Railway Company under its present charter, or any amended charter that may hereafter be adopted, together with all side tracks, turn-outs, engines, rolling stock, equipments and materials; all rights of way and tracks, depot and shop grounds, tenements and hereditaments, rights

and franchises, including and meaning to include all the property, real and personal, now acquired or which hereafter may be acquired by the said Railway Company, in the State of Texas, used for and pertaining to the operation of said railroad.

To have and to hold the said property, things, rights and franchises hereby conveyed, or intended so to be, unto the said trustees, or their successor or successors, in trust for the owners and holders of the said bonds, or any of them, subject to the terms and stipulations of said bonds, and of the coupons thereto attached, and subject also to the contract authorized to be made and executed on July fifteenth, 1887, by the said Dallas and Waco Railway Company, for the joint use and occupancy of the track of said Railway Company by the Missouri, Kansas and Texas Railway Company, and The St. Louis, Iron Mountain and Southern Railway Company, and subject also to the possession, control and management of the Directors of the said Railway Company, so long as said Company shall well and truly perform all and singular the stipulations of said bonds and the covenants of this deed.

That upon the payment of the principal and interest of all the bonds hereby secured, the estate hereby granted to the said party of the second part shall be void, and the right to all the real and personal property hereby granted and conveyed shall revert to, and revest in the said Railway Company, its successors or assigns, in law and equity, without any acknowledgement of satisfaction, reconveyance, surrender, re-entry, or other act.

That in case the said Railway Company, its successors or assigns, shall fail to pay the interest on any of said bonds, at the time when the same shall become due and payable, according to the tenor thereof, and shall continue in such default for six months after such payment has been demanded, at its or their agency in the City of New York, then and thereupon the principal of all the bonds hereby secured shall be and become immediately due and payable, provided the said trustees give written notice to the party of the first part, its successors or assigns, of their option to that effect, while such default continues, which notice they shall be bound to give if required in writing to do so, by the holders of twenty-five per centum of said bonds then outstanding; and that, in such case, or upon the principal of said bonds becoming in any other way due and payable, and remaining unpaid, in whole or in part, after demand thereof, the said trustees, or their successor or successors in the trust, may, in their

discretion, and shall, upon the request of the holders of fifty per centum of said bonds then outstanding, with or without entry or foreclosure, take actual possession of said railroad, and of all and singular the property, things and effects hereby conveyed, and personally, or by attorney, manage and operate the same, and receive all the tolls, rents, income and profits thereof, until such time as the said bonds and interest thereon are fully paid or satisfied, and shall apply the money so received by it, first, to the expenses of the trust hereby executed, the management of the said railroad and its appurtenances, and the needful repairs thereof; next, to the payment of interest over due upon the said bonds, and interest upon delayed interest, and afterwards to the payment of the principal of said bonds. And the said trustees, or their successor or successors in the trust, upon becoming entitled to take possession of the railroad and property aforesaid, may, in their discretion, and shall, on the written request of the holders of at least one-half of the bonds then unpaid and outstanding, cause the said premises so mortgaged, to be sold either as an entirety or in such parcels as they shall deem necessary or proper, having due regard to the interests of all parties, to the highest bidder, at public auction, in the City of Dallas, Texas, giving at least sixty days notice of the time, place and terms of such sale, and of the specific property to be sold, and whether the same will be sold as an entirety or in parcels, by publishing such notice in one or more newspapers in the City of Dallas, one in the City of Waco, and in one or more newspapers in the City of New York, once in each week during the term of sixty days, and that, upon receiving the purchase money therefor, the said trustees, or their successors in the trust, shall execute to the purchaser or purchasers thereof, a good and sufficient deed of conveyance, in fee simple, which sale and conveyance shall forever be a bar against the party of the first part, its successors and assigns, and all persons claiming under them, of all right, estate, interest or claim in or to the premises, property, things, franchises, privileges and immunities so sold, or any part thereof, whether the said trustees are in possession thereof or not, and the receipt of the said trustees shall be a full and sufficient discharge to each purchaser, and no purchaser holding such receipt shall be liable for the proper application of the purchase money, or in any way bound to see that the same is applied to the uses of this trust, or in any manner answerable for its loss or misapplication, or bound to inquire into the authority for making such sale, and such sale to a purchaser in good faith shall be valid, whether said notice is given or not, and whether

default in payment has been made or not.

That the said trustees shall, after deducting from the proceeds of such sale the cost and expenses thereof, and of the execution of this trust, and all payments for taxes, assessments and counsel fees, and their reasonable compensation, apply so much of the proceeds as may be necessary to the payment of the principal and interest remaining unpaid upon said bonds and coupons, together with interest upon over-due coupons down to the time of sale, without giving preference to either principal or interest; it being the intention of this indenture that so long as the railroad and its appurtenances shall be managed by the trustees or a receiver as a going concern, the income shall be applied to the payment of interest in preference to the principal, but that, after a sale of the railroad and its appurtenances no such preference shall be made in the distribution of the proceeds.

That upon any sale of the said premises, whether by the trustees or under decree of the court, the holders of the bonds hereby secured, or any of them, or the said trustees on behalf of all the bondholders, shall have a right to purchase upon equal terms with other persons, and it shall be the duty of the said trustees, if so required in writing, a reasonable time before such sale, by the holders of a majority in value of the outstanding bonds secured hereby, and upon being offered at the same time, adequate indemnity against all liability to be incurred thereby, to make such purchase on behalf of all the bondholders, at a reasonable price, if part only of the property hereby conveyed is sold, or in case the whole property is sold, at a price not exceeding the whole amount, principal and interest, due or accruing upon said bonds, together with the expenses of the proceedings and sale; and the bonds secured by this mortgage shall be receivable at such sale as cash, for the amount of cash which would be payable on such bonds out of the proceeds of such sale.

That in case of the purchase of said property, or any part thereof, by the trustees, the same shall be held for the benefit of all the bondholders in proportion to their respective interests in the bonds, and that the property thus purchased shall be conveyed to such persons or corporations as may be designated by a majority in value of the bondholders present at a meeting of the bondholders in the city of New York, regularly called by the trustees, upon reasonable public notice published in two newspapers of that City; provided that such conveyance shall be made on such terms as will, in the judgment of said trustees, secure to each and every bondholder his just proportion of interest in the property purchased as aforesaid.

That it is hereby expressly agreed that in no case shall any claim, benefit or advantage be taken by the said Railway Company, its successors or assigns, of any valuation, appraisement, extension or relief laws, to prevent such entry or sale as aforesaid, and that nothing herein contained shall be construed as limiting the right of the said trustees to apply to the court for judgment or decree of foreclosure and sale under this indenture, or for the usual relief in the course of such proceedings; and the said trustees may, in their discretion, apply to any competent court for relief by way of foreclosure or otherwise, if so advised by counsel, instead of taking possession of or selling the said property when required to do so by bondholders.

That the said Railway Company may dispose of the current net revenue and income of all the said property and railways hereby conveyed, in such manner as it may deem best, until default shall be made in the payment of the interest or principal of said bonds, or of any one or more of them, and shall have the right to sell and dispose of any such real estate or other property as it may own or acquire, which may not be needed or required for the purpose and business of said railway, and which sale and conveyance of said property shall transfer the said property and title free from the incumbrance of this mortgage or deed of trust, and to change its track and make any and all alterations necessary for the benefit of the same.

That the bonds secured herein, except as to the first thirty-five miles, namely, bonds to the amount of seven hundred thousand dollars, which the trustees are hereby authorized and directed to certify upon demand of the President of the party of the first part, are to be issued at the rate only of twenty thousand dollars per mile of completed road, as follows: that is to say, one hundred bonds may be issued for each five miles of railway as the same may be completed, on the affidavit of the Chief Engineer of said Railway Company, that five miles have been so completed and are ready for use. And it is agreed between the parties hereto, and made part of the contract with the holders of the bonds secured hereby, that the trustees herein shall not be required to look beyond the affidavit of the Chief Engineer as herein provided, and shall not be responsible in any event for any act done in pursuance of such affidavit.

That it is further mutually agreed by and between the parties hereto, and is hereby declared to be a condition upon which the said party of the second part and their successor or successors in the trust hereby created have assented to these presents and accepted

this trust, that the said trustees and their successors in this trust shall not in any manner be held responsible for the act of any co-trustee, or of any person employed by them, unless guilty of culpable negligence in the selection of such employe; nor shall the trustee be answerable except for his or their own willful default.

That the parties of the second part, or their successor or successors, shall be authorized to pay such reasonable compensation as they shall deem proper, to all the attorneys, officers, agents, servants and employes whom they may reasonably employ in the management of this trust; and that the said trustees and their successor or successors shall have and be entitle to just compensation for all services they may render in connection with the trust hereby created, to be paid by the party of the first part, or out of the trust estate.

That the bonds hereinbefore described, and hereby secured, shall pass by delivery or by transfer on the books of said Railway Company, and that after the registration of the ownership of said bonds, certified thereon by the Transfer Agent of said Railway Company, no transfer of said bonds, except upon the transfer books of said Company, shall be valid, unless the last transfer shall be to bearer, which transfer to bearer shall again render said bonds transferable by delivery; and that said bonds shall continue subject to successive registration and transfer to bearer as aforesaid, at the option of each successive holder, provided the coupons issued with the same, and not due, are attached to said bonds when such registration is desired, and not otherwise; and to this end the said Railway Company shall keep in the City of New York a registration or transfer office, with the necessary books, in which the registration and transfer of said bonds may be made as above provided.

That for the purpose of designating the rolling stock which shall belong to the line of railway hereby mortgaged, it is agreed by and between the parties hereto, that the said Railway Company will mark, in some substantial manner, all engines and cars of each and every class purchased by it, with either the name of said Company or the initials of its name.

That the Railway Company, its successors and assigns, further covenants and agrees with the said trustees and their successors in the trust, to make, execute and deliver all such further deeds, instruments and assurances as may from time to time be necessary, and as the said trustees or their successors in the trust may be advised by counsel learned in the law, to be necessary for the better securing to the parties of the second part. their successor or successors in the trust,

the premises hereby conveyed, and for carrying out the objects and purposes of this indenture. That the said Railway Company covenants and agrees with the said trustees and their successors in the trust, that it will, from time to time, pay all the expenses of this trust, including the compensation and expenses of the transfer agent herein provided for.

In case a vacancy shall occur in this trust, from any cause whatever, it shall be lawful for the said Railway Company, or any of the bondholders, to apply in writing to the then Chief Justice of the Supreme Court of the State of Texas to appoint another trustee or trustees to supply the vacancy; and in the event that said application be made by any of the bondholders, then and in that case, notice of said application shall be given to said Railway Company at least ten days before said vacancy shall be filled; and the said Chief Justice is hereby authorized, upon application and notice as aforesaid, without legal proceedings, to appoint one or two trustees to fill the vacancy; and the trustee or trustees so appointed shall be vested with all the title, powers, duties and estates possessed under this instrument by the said John F. Dillon and Henry B. Henson, trustees herein named.

In witness whereof, the said Dallas and Waco Railway Company has caused this instrument to be subscribed in its name by its President and Secretary, and attested by its corporate seal; and the said trustees, for the purpose of testifying to their acceptance of the trust hereby created, have also subscribed their names.

THE DALLAS AND WACO RAILWAY COMPANY,

By ——— ———, President.

Attest:

——— ———, Secretary.

——— ———

——— ———

Trustees.

STATE OF TEXAS, }
County of Harris. }

Before me, , a Notary Public in and for the said State and county, on this day personally appeared Jas. A. Baker, President of The Dallas and Waco Railway Company, known to me to be the person whose name is subscribed to the foregoing instrument of writing, and acknowledged to me that he had signed the same in his capacity of President, for the purposes and consideration therein expressed.

Given under my hand and seal of office at Houston, Texas, this day of , A. D. 1887.

——— ———,
Notary Public, Harris County, Texas.

STATE OF NEW YORK, }
County of New York, } ss:

Be it known, that on the day of , one thousand eight hundred and eighty-seven, before me, , a Notary Public in and for the State of New York, duly commissioned and sworn, personally came and appeared John F. Dillon and Henry B. Henson, to me personally known, and known to me to be the same persons described in, and who executed the within mortgage or trust indenture, and said John F. Dillon and said Henry B. Henson severally acknowledged the same to be their act and deed: and that they executed the same for the purpose and consideration therein expressed.

In testimony whereof, I have hereunto subscribed my name and affixed my seal of office, the day and year last above written.

——— ———,
Notary Public, County, N. Y.

APPENDIX.

The Missouri, Kansas and Texas Railway Company

WITH

THE TEXAS AND PACIFIC RAILWAY COMPANY.

CONTRACT FOR JOINT USE OF TRACK.

AGREEMENT, made the first day of April, A. D. 1881, by and between the TEXAS AND PACIFIC RAILWAY COMPANY, organized under an act of Congress of the United States, party of the first part, and the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, organized under the laws of Kansas, with a right of extension under United States laws through the Indian Territory to and into Texas, and further right of extension through the State of Texas to the Rio Grande, under Texas laws, party of the second part.

WHEREAS, The party of the first part, among other property, is the owner of a line of railroad constructed, or under construction, extending from Whitesboro, in Grayson county, via Denton, to Fort Worth, in Tarrant county, a distance of seventy-one miles; and

WHEREAS, The party of the second part, as owner of certain railroad properties in Kansas, Missouri, the Indian Territory and Texas, is authorized to construct, own and operate an extension of its road from Denison, in Grayson county, Texas, via Whitesboro, Fort Worth, Austin and San Antonio, to the Rio Grande; and

WHEREAS, The interests of both companies will be promoted by

the joint use and occupancy of that piece of road already constructed or under construction by the Texas and Pacific Railway Company between Whitesboro and Fort Worth, which section of road covers a part of the charter line of the party of the second part;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

First. That the said party of the first part doth hereby lease and grant to the party of the second part, a joint use and occupancy of its said road between Whitesboro and Fort Worth, with the privilege of running its trains in either direction over said road, and of collecting the tolls and revenues from freight and passengers transported between Whitesboro and Fort Worth, and points beyond on its lines in either direction, the said second party to pay as rental for such joint use and occupancy six hundred dollars ($600) per mile per annum, and, in addition thereto one-half of the cost of maintenance, including taxes and assessments.

Second. It is understood and agreed between the parties that the said railroad between Whitesboro and Fort Worth shall be completed by the party of the first part, and put in good running order within ninety days from this date, and that it shall be placed in charge of a Superintendent to be agreed upon and appointed by the parties to this agreement, whose duty it shall be to attend to the maintenance of such road, and to establish such police regulations as shall be necessary and proper in the handling of trains over said line; and it shall be the duty of such Superintendent to examine and certify as to the accuracy of all bills for maintenance, and other expenditures for joint account, and all such accounts shall be audited monthly, and statements in detail forwarded to each party on or before the twentieth of each month, covering all expenditures and liabilities for joint account up to and including the last day of the preceding month, and all such accounts shall be adjusted, and all audited bills paid within ten days after such monthly statement of account shall have been furnished.

Third. It is further agreed to be the true intent and meaning of this agreement that each party shall be placed on an equality in the joint use and occupancy of the road between Whitesboro and Fort Worth, and that the trains of each party shall be run over the same between said places without interruption.

Fourth. It is further agreed that the joint use and occupancy of said line between Whitesboro and Fort Worth shall commence with-

in ninety (90) days from the date of this agreement, or so soon as said line shall be completed through, in accordance with section two (2) of this agreement; and shall continue for and during the period of ninety-nine (99) years thereafter, and that the rentals specified in section first of this agreement shall be paid quarterly by the second party to the party of the first part on the first days days of January, April, July and October in each year.

Fifth. It is further agreed that in case any dispute shall arise as to the construction of this agreement, the question shall be submitted to arbitrators, one to be named by the President of each party, and if they cannot agree, they shall call in a third, whose decision shall be final in the matter.

Sixth. It is understood that the lessor company shall not be liable for any of the contracts, defaults or negligences of the party of the second part, and if so held liable shall be entitled to reimbursement, to be paid at the same time and in the same manner as rental, and as a part of the rental.

Seventh. It is further expressly agreed that if the aforesaid rental shall at any time be and remain in default for a period of six months, the lessor company shall be entitled to treat such a default as a breach of condition, and to repossess itself of the property.

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY

TO

THE MISSOURI PACIFIC RAILWAY COMPANY.

LEASE.

DATED DECEMBER 1, 1880.

THIS INDENTURE, made the first day of December, Anno Domini one thousand eight hundred and eighty (1880), between the MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY, of the first part, and THE MISSOURI PACIFIC RAILWAY COMPANY, of the second part.

WHEREAS, The railroads of the parties hereto connect directly with each other at Sedalia, in Pettis county, and at Holden, in Johnson county, Missouri, and the said parties are desirous of entering into a lease and contract with each other, in respect to the use, management and working of the railroads of the party of the first part,

NOW THIS INDENTURE WITNESSETH:

That the party of the first part, for and in consideration of the covenants and agreements hereinafter contained on the part of the said party of the second part to be kept and performed, have leased, demised, and to farm-let, and by these presents do lease, demise, and to farm-let unto the party of the second part, and they do take the railroad of the party of first part as now constructed and in use and operation as follows, to-wit:

A line of road from Hannibal, in Marion, county, Missouri, on the

Mississippi river, via Moberly, Sedalia and Fort Scott to Parsons, in Labette county, Kansas, three hundred and one miles, more or less;

A line of road from Junction City, in Davis county, Kansas, to the town of Parsons, in Labette county, Kansas, thence extending southwardly through the Indian Territory to the town of Denison, in Grayson county, Texas, four hundred and thirty-one miles, more or less;

A line of road from Denison, in Grayson county, Texas, southeasterly to the town of Greenville, in Hunt county, Texas, a distance of fifty-two miles, more or less; and

A line of road extending from said town of Denison westerly to Gainesville, in Cook county, Texas, a distance of forty-two miles, more or less;

A total distance of eight hundred and twenty-six miles (826) miles, more or less, of railroad now in operation, together with all the branch roads and sidings, depots, stations, buildings, equipment, machine and other shops, machinery, tools, appurtenances, and property, real and personal, to said demised railroad belonging and appertaining, as well that now owned as that hereafter to be acquired by the said party of the first part, at and between the said before mentioned points, or as appertaining thereto, excepting, however, from the demised premises all lands and land grants owned or held by the party of the first part, and all property not needed in connection with or necessary to the use and operation of the said demised railroads.

To have and to hold the said demised property, real and personal, unto the said party of the second part, their successors and assigns, to and for the full end and term of ninety-nine (99) years from the date hereof, fully to be completed and ended.

That in consideration of the premises, the party of the first part hereby covenants and agrees that the party of the second part shall at all times during the term aforesaid, have full and exclusive power, right and authority to use, manage and work the said railroad of the said party of the first part, and shall have the right to fix the tolls thereon, but not at a higher rate than is authorized by the charter of the party of the first part hereto; and further, that the said party of the second part shall have full, free and exclusive right to charge and collect all of the said tolls on, and freight charges and dues to accrue from, said railroad during said term, and to appropriate the same in the way and manner hereinafter mentioned, and shall have, use, exercise and enjoy all the rights, powers and authority afore-

said, and all other lawful powers and privileges which can or may be lawfully exercised and enjoyed on and about the said demised railroad and property, as exclusively, fully and amply as the same might or could have been used, exercised and enjoyed by the said party of the first part, had this lease and contract not have been made; and as exclusively, fully, amply and entirely as the said party of the first part have authority by law to grant the same. It is understood, however, that the lessee Company has no power to make any mortgage of the hereby demised property, which shall in any way affect the rental to be paid to the party of the first part hereunder.

And in consideration of the premises, the party of the second part hereby covenants and agrees to and with the said party of the first part, as follows, viz:

First. That the party of the second part shall and will at all times, during continuance in force of these presents, work, use, manage, maintain, operate and keep in public use the railroad of the party of the first part, with the appurtenances, and will work, use and efficiently operate the said railroad and appurtenances; and will, from time to time, provide such additional locomotives, cars and rolling stock as, in the judgment of the party of the second part, shall be required for and properly adapted to promptly and fully accommodate the business tributary to the roads hereby demised; and shall and will use all reasonable diligence to collect and receive all the said tolls, freight charges and dues which shall accrue as aforesaid, and apply and appropriate the same in the way and manner following, to-wit:

Firstly. To the payment of the annual cost of repairing, maintaining and perpetuating for public use the said railroad, with its equipment and property appurtenant thereto; and all the expenses of working, using, managing, maintaining, operating and running the same, including reasonable compensation for the use of engines and cars actually employed thereon, but not owned by the party of the first part; and the cost of any new equipment, side tracks, stations, depots, lands and reasonable or necessary betterments of every kind that the party of the second part may from time to time deem necessary to procure or provide for the business of said road; and also including premiums for insurance, and all tolls, taxes and assessments now or hereafter levied or assessed under laws of the United States, and of the States of Missouri, Kansas, Texas and the Indian Territory upon the traffic passing over the said railroads, and

upon the property of the party of the first part, now or hereafter acquired by the party of the second part, by and under this lease.

Secondly. To the payment of the necessary expenses of maintaining the organization of the Missouri, Kansas and Texas Railway Company, including maintenance of general offices of the Company in the City of New York, expenses of a transfer agency, and registrar of the stock and bonds of the Company, and for paying the interest on its mortgage debt, etc.

Thirdly. To the payment of interest as the same shall become due and payable, from time to time, upon the present consolidated mortgages and underlying bonds, covering the property covered by this lease, as follows, to-wit:

On $2,296,000 Union Pacific Railway Company Southern Branch first mortgage bonds;

On $349,000 Tebo and Neosho Railroad Company first mortgage bonds;

On $768,000 Hannibal and Central Missouri Railroad Company first mortgage bonds;

On $32,000 Hannibal and Central Missouri Railroad Company second mortgage bonds;

On $14,772,000 Missouri, Kansas and Texas Railway Company consolidated bonds;

On as many Missouri, Kansas and Texas Railway Company general consolidated bonds as have been or may be hereafter issued under the terms of the general consolidated mortgage of December 1st, 1880, upon road accepted and operated hereunder.

Fourthly. To pay any surplus remaining to the party of the first part, to be applied to the payment of interest on any other bonds now or hereafter issued by the said first party, according to their respective rights and priorities; and for such other purposes as shall be determined, from time to time, by the Board of Directors of the Missouri, Kansas and Texas Railway Company.

Second. If the net earnings or revenue shall not be sufficient to provide for the fixed charges on the demised property, the lessee may elect to advance the funds required, from time to time, to pay interest on bonds and other fixed charges, and such advances shall

be a preferred debt and lien next to the lien of the first and general consolidated mortgages and underlying or divisional mortgages, to be paid by the party of the first part; and the same is secured by the future net revenues of said first party, and such advances are hereby made an equitable lien on the demised property.

If the lessee, however, elects not to advance any such deficit, and the interest on the first and general consolidated mortgage bonds and underlying bonds shall remain unpaid for a period of six months, the lessor company may thereupon elect to terminate this lease, and to receive back the property on the payment of any balance of indebtedness then due from it to the lessee.

Third. And it is further covenanted and agreed, by and between the parties hereto, that the extensions now under construction by the party of the first part, in Texas, from Greenville to Mineola, and from Fort Worth south to a point in Williamson or Milam county, and all such other extensions or branches as shall, during the continuance of these presents, be made by the party of the first part under its charter powers, either by purchase, lease, joint ownership, or under any arrangement for joint use of other roads, construction or otherwise, whenever such additional road or branches shall be completed or acquired and ready for operation, shall be and the same are embraced herein, and shall be taken and operated by the party of the second part under like terms and conditions with those specified for the eight hundred and twenty-six (826) miles before mentioned.

Fourth. That the party of the second part shall and will, at all times during the hereby demised term, keep the buildings upon the lands hereby demised, insured in the usual manner against loss by fire, paying the premium therefor, as aforesaid, and will keep the said demised railroad, equipment and property in good order and repair, and will, at the expiration of the hereby demised term, or other sooner determination of this lease and contract, yield and deliver up the hereby demised railroad and appurtenances in the same good order and repair that the same are now in, or may be put in during the hereby demised term, casualties, acts of God and the elements and reasonable wear and tear excepted.

Fifth. That the party of the second part shall keep accurate accounts of all the business receipts and revenues arising from the said demised railroad and property, and all the expenses of operating the same; said accounts to be kept in such form and manner that the

earnings upon the railway and property covered by the income second mortgage may be readily ascertained and determined; and their books relating thereto shall be subject to the examination of the President and Vice President of the party of the first, or of any agent duly authorized by them to examine the same; and the party of the second part shall furnish to the party of the first part monthly accounts of the gross receipts and expenditures, and a semi-annual account of all the said business, receipts, revenues and expenditures under this agreement.

And the President, Vice Presidents and committees of the Board of Directors, and all duly appointed agents of the party of the first part, shall have the right at all times to travel without charge over the said demised railroad, for the purpose of ascertaining as to the business and management of the said railroad and reporting thereon to the party of the first part.

Sixth. It is understood and agreed that in case a plan or agreement shall be perfected and entered into for the management and operation of the railways of the parties hereto, or either of them, with other southwestern railways under one organizntion or company, this lease shall thereupon, at the election of the lessee, cease and determine.

Seventh. That if any difference shall arise in relation to this lease and contract between the parties hereto, each of said parties shall select a referee of experience and skill in railway management, and the said referees shall select another of like experience and skill; and the three so chosen shall hear and decide such differences, and their decision, or that of a majority of them, shall be final and conclusive upon the parties hereto.

Eighth. It is expressly understood that the lease of the line of railway known as the "Holden Branch" of the first party, made by the party of the first part, under date of February 16th, 1880, remains unaffected by this lease and contract, except as to the term of duration, and the demised premises in the said lease are not embraced in the demised premises of these presents.

It is further agreed between the parties hereto that the said lease of February 16th, 1880, is hereby extended under the terms and provisions thereof for and during the whole period of the continuation of these presents, to which the parties hereto do hereby severally agree.

In witness whereof, the parties hereto have caused this indenture to be signed by their respective President *pro tem* and President, and their respective corporate seals to be hereto affixed, attested by their respective Secretaries, this fourth day of May, 1881.

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY

By GEORGE J. FORREST,
President *pro tem.*

[L. S.]

Attest:
H. B. HENSON,
Secretary.

THE MISSOURI PACIFIC RAILWAY COMPANY,

By JAY GOULD,
President.

[L. S.]

Attest:
A. H. CALEF,
Secretary.

STATE OF NEW YORK,
City and County of New York, } ss:

Be it remembered, that on this twenty-fifth day of August, A. D. 1881, before me, Charles Nettleton, a Commissioner for the State of Missouri, Kansas and Texas, and a Notary Public in and for the State and county of New York, residing in said City of New York, personally appeared George J. Forrest, the President *pro tem.*, and H. B. Henson, the Secretary of the Missouri, Kansas and Texas Railway Company, to me respectively personally known to be such, who, being by me severally duly sworn, did depose and say, that he, said George J. Forrest, resides in New York City, State of New York; that he, said H. B. Henson, resides in Brooklyn, New York; that he, said George J. Forrest, is the President *pro tem.*, and he, said H. B. Henson, is the Secretary of the said Company; that they both know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said George J. Forrest and H. B. Henson, as such President *pro tem.* and Secretary, signed the name of said Company,

and their own names thereto, by the like order, as President *pro tem.* and Secretary of said Company, respectively, and they each, respectively, being personally known to me to be the same persons whose names are signed to the foregoing instrument as parties thereto, acknowledged to me that they signed, sealed and executed the same as their own free and voluntary act and deed, and as the free and voluntary act and deed of the said Company, for the purposes and objects therein stated.

In witness whereof, I have hereunto set my hand and affixed my official seal this the twenty-fifth day of August, A. D. 1881.

CHARLES NETTLETON,
[L. S.] Commissioner for Missouri in New York.

CHARLES NETTLETON,
[L. S.] Commissioner for Kansas in New York.

CHARLES NETTLETON,
[L. S.] Commissioner for Texas in New York.

CHARLES NETTLETON,
[L. S.] Notary Public for New York County in New York.

STATE OF NEW YORK, }
City and County of New York, } ss:

Be it remembered, that on this twenty-fifth day of August, A. D. 1881, before me, Charles Nettleton, a Commissioner for the States of Missouri, Kansas and Texas, and a Notary Public in and for the State and county of New York, residing in said City of New York, personally appeared Jay Gould, the President, and A. H. Calef, the Secretary of the Missouri Pacific Railway Company, to me respectively personally known to be such, who, being by me severally duly sworn, did depose and say, that he, said Jay Gould, resides in New York City, State of New York; that he, said A. H. Calef, also resides New York City, New York; that he, said Jay Gould, is the President, and he, said A. H. Calef, is the Secretary of the said Company; that they both know the corporate seal of said Company; that the seal affixed to the foregoing instrument is such corporate seal; that it was so affixed thereto by order of the Board of Directors of said Company, and that they, the said Jay Gould and A. H. Calef,

as such President and Secretary, signed the name of said Company, and their own names thereto, by the like order, as President and Secretary of said Company, respectively, and they each, respectively, being personally known to me to be the same persons whose names are signed to the foregoing instrument as parties thereto, acknowledged to me that they signed, sealed and executed the same as their own free and voluntary act and deed, and as the free and voluntary act and deed of the said Company, for the purposes and objects therein stated.

In witness whereof, I have hereunto set my hand and affixed my official seal this the twenty-fifth day of August, A. D. 1881.

CHARLES NETTLETON,
[L. S.] Commissioner for Missouri in New York.

CHARLES NETTLETON,
[L. S.] Commissioner for Kansas in New York.

CHARLES NETTLETON,
[L. S.] Commissioner for Texas in New York.

CHARLES NETTLETON,
[L. S.] Notary Public for New York County in New York.

INDEX.

PAGE

ACTS AND ARTICLES OF INCORPORATION.

Authorizing construction of Missouri, Kansas and Texas Railway in Texas 7
Articles of Association of Denison and Pacific Railway 84
Articles of Association of Missouri, Kansas and Texas Extension Railway Company 88
Amended Act of Incorporation of Denison and Southeastern Railway Company 98
Act to Incorporate Houston and Great Northern Railroad Company, 162
Act to Incorporate Houston Tap and Brazoria Railway Company .. 168
Act Amending Act to Incorporate Houston Tap and Brazoria Railway Company, 1858 176
Act Amending Act to Incorporate Houston Tap and Brazoria Railway Company, 1859 177
Act to provide for sale of Houston Tap and Brazoria Railway 178
Act to authorize the Governor to dispose and make sale of Houston Tap and Brazoria Railway 179
Act to Incorporate Huntsville Branch Railway Company 180
Act to Incorporate Victoria and Columbia Railway Company 185
Act Supplementary to Act Incorporating Victoria and Columbia Railway Company 192
Act to Consolidate Houston Tap and Brazoria Railway, Victoria and Columbia Railway and Huntsville Branch Railway Companies with Houston and Great Northern Railway Company .. 194
Act to Incorporate International Railroad Company 195
Articles of Association International Railroad Company and Houston and Great Northern Railroad Company 202
Act authorizing International and Great Northern Railroad Company to issue Bonds 207
Act for Relief of International Railroad Company, March 10, 1875, 208
Articles of Incorporation Georgetown Railroad Company 246
Act to Incorporate Henderson and Overton Railway Company 250
Articles of Incorporation Austin and Oatmanville Railway Company 252
Act to Incorporate Galveston, Houston and Henderson Railroad Company 332
Act Supplementary to Act to Incorporate Galveston, Houston and Henderson Railroad Company, 1854 337
Act amending Supplementary Act to Incorporate Galveston, Houston and Henderson Railroad Company, 1856, ... 339
Act amending last mentioned Act, July, 1856 341
Act amending Act of Incorporation of Galveston, Houston and Henderson Railroad Company, 1857 343

ACTS AND ARTICLES OF INCORPORATION—*Continued.*

Act Incorporating Galveston and Houston Junction Railway Company 345
Act amending last above Act 347
Articles of Association of Galveston, Houston and Henderson Railroad Company of 1882 349
Act Incorporating Dallas and Wichita Railroad Company 375
Act amending same, 1873 379
Act amending same, 1875 384
Act for relief of same, 1876 386
Act Incorporating East Line and Red River Railroad Company 394
Act amending above, 1873 398
Act amending Section 8 of above, 1873 401
Act amending same, 1875 402
Original Articles of Incorporation of the Taylor, Bastrop and Houston Railway under the name of Bastrop and Taylor Railway Company 437
Amended Articles of Incorporation of Taylor, Bastrop and Houston Railway of 1886 442
Amended Articles of Incorporation of Taylor, Bastrop and Houston Railway of 1887 authorizing Branch 445
Articles of Incorporation of Trinity and Sabine Railway Company 469
Articles of Incorporation of Gainesville, Henrietta and Western Railway Company 496
Articles of Incorporation of Dallas and Greenville Railway Company 541
Articles of Incorporation of Dallas and Waco Railway Company 551

AGREEMENT FOR REORGANIZATION.

International and Great Northern Railroad Company 229

AUSTIN AND OATMANVILLE RAILWAY COMPANY.

Articles of Incorporation 252

COLORADO BRIDGE COMPANY.

Mortgage, May 24, 1880, to Farmers' Loan and Trust Company, Trustee 307

CONSTRUCTION CONTRACTS.

Gainesville, Henrietta and Western Railway Company with Guy Phillips 513
Dallas and Greenville Railway Company with Guy Phillips 524
Dallas and Waco Railway Company with Guy Phillips 555

JOINT TRACK CONTRACTS.

Dallas and Greenville Railway Company with St. Louis, Iron Mountain and Southern Railway Company and others 526
Dallas and Waco Railway Company with St. Louis, Iron Mountain and Southern Railway Company and others 557
Missouri, Kansas and Texas Railway Company and Texas and Pacific Railway Company 575

Deeds of Conveyance.

International Improvement Company to Mercantile Trust Company 46
Denison and Pacific Railway to Denison and Southeastern Railway Company 104
Union Trust Company and Missouri Kansas and Texas Extension Railway Company to Missouri, Kansas and Texas Railway Company 133
Special Master to John S. Kennedy and Samuel Sloan, Trustees, of Houston and Great Northern Railroad 212
Special Master to John S. Kennedy and Samuel Sloan, Trustees, of International Railroad 218
Special Master to John S. Kennedy and Samuel Sloan, Trustees, of International and Great Northern Railroad 224
J. S. Kennedy and Samuel Sloan, Trustees, to International and Great Northern Railroad Company conveying railway, rolling stock, etc 235
International and Great Northern Railroad Company to John S. Kennedy, Samuel Thorne and Wm. Walter Phelps, lands 239
Dallas and Wichita Railroad to Missouri, Kansas and Texas Railway Company 387
East Line and Red River Railroad to Missouri, Kansas and Texas Railway Company 425
Taylor, Bastrop and Houston Railway to Missouri, Kansas and Texas Railway Company 447
Trinity and Sabine Railway to Missouri, Kansas and Texas Railway Company 485
Gainesville, Henrietta and Western Railway to Missouri, Kansas and Texas Railway Company 510
Dallas and Greenville Railway to Missouri, Kansas and Texas Railway Company 541

Dallas and Greenville Railway Company.

Resolution authorizing the purchase of 70 — 77
History of Organization 515
Articles of Incorporation 521
Construction Contract with Guy Phillips 524
Contract for joint use of track with St. Louis, Iron Mountain and Southern Railway and others 526
First Mortgage to John F. Dillon and Henry B. Henson, Trustees, 530
Deed of Conveyance to Missouri, Kansas and Texas Railway Company 541

Dallas and Wichita Railroad Company.

Resolution authorizing purchase of 67 — 76
History of Organization 371
Act Incorporating 375
Act amending Act of Incorporation, May 24, 1873 379
Act amending Act of Incorporation, February 27, 1875 384
Act for Relief of, July 29, 1876 386
Contract of Sale to Missouri, Kansas and Texas Railway Company, 387

DAINGERFIELD AND TEXARKANA RAILWAY COMPANY.
Resolution authorizing purchase of ... 78
Contract with Dallas and Greenville Railway Company for joint use of track ... 526

DENISON AND PACIFIC RAILWAY.
History of Organization, etc ... 80
Articles of Association ... 84
Deed to Denison and Southeastern Railway Company ... 104

DENISON AND SOUTHEASTERN RAILWAY COMPANY.
History of Organization. (See Missouri, Kansas and Texas Extension Railway Company.)
Mortgage to Union Trust Company ... 92
Amended Act of Incorporation ... 98
Deed from Denison and Pacific Railway ... 104

DALLAS AND WACO RAILWAY COMPANY.
History of Organization ... 545
Articles of Incorporation ... 551
Construction Contract with Guy Phillips ... 555
Contract with St. Louis, Iron Mountain and Southern Railway Company for joint use of track ... 557
First Mortgage to John F. Dillon and Henry B. Henson, Trustees ... 561

EAST LINE AND RED RIVER RAILROAD COMPANY.
Resolution authorizing purchase of ... 72-73-76
History of Organization ... 391
Act Incorporating ... 394
Act Amending Act of Incorporation, May 17, 1873 ... 398
Act Amending Section 8 of Act of Incorporation, May 17, 1873 ... 401
Act Amending Act of Incorporation, March 6, 1875 ... 402
Release of Mortgage from Union Trust Company, Trustee ... 403
First Mortgage to Fidelity Insurance, Trust and Safe Deposit Company ... 406
Deed of Conveyance to the Missouri, Kansas and Texas Railway Company ... 425

GAINESVILLE, HENRIETTA AND WESTERN RAILWAY COMPANY.
Resolution of Missouri, Kansas and Texas Railway Company authorizing purchase of ... 71-78-79
History of Organization ... 489
Resolution authorizing sale to Missouri, Kansas and Texas Railway Company ... 490—494
Articles of Incorporation ... 496
First Mortgage to John F. Dillon and Henry B. Henson, Trustees ... 500
Deed of Conveyance to the Missouri, Kansas and Texas Railway Company ... 510
Construction Contract with Guy Phillips ... 513

GEORGETOWN RAILROAD COMPANY.
Articles of Incorporation ... 246

Galveston and Houston Junction Railroad Company.
Act Incorporating 345
Act amending above 347
Galveston, Houston and Henderson Railroad Company.
Resolution of International and Great Northern Railroad Company to lease 256
History of Organization 319
Resolution authorizing lease to International and Great Northern Railroad Company 329
Act to Incorporate 332
Act Supplementary to Act of Incorporation, January 10, 1854 337
Act Supplementary to Act of Incorporation, January 23, 1856 339
Act Supplementary to and Amendatory of Act of Incorporation, July 24, 1856 341
Act for Relief of, and Amendatory of Act of Incorporation, November 20, 1857 343
Act to Incorporate the Galveston and Houston Junction Railroad Company 345
Act to Revise and continue in force above Act 347
Articles of Association of the Galveston, Houston and Henderson Railroad Company of 1882 349
First Mortgage of the Galveston, Houston and Henderson Railroad Company of 1882 to Mercantile Trust Company, Trustee, April 1, 1883 352
Lease of Galveston, Houston and Henderson Railroad Company of 1882 to the International and Great Northern Railroad Company 364
Houston and Great Northern Railroad Company.
Act to Incorporate 162
Act to Consolidate Houston Tap and Brazoria Railway, the Huntsville Branch Railway, and the Victoria and Columbia Railroad with 194
Articles of Association and Consolidation between the Houston and Great Northern Railroad Company and the International Railroad Company 202
Deed from Special Master to John S. Kennedy and Samuel Sloan, Trustees 212
Houston Tap and Brazoria Railway Company.
Act to Incorporate 168
Act to amend Act of Incorporation, passed January 23, 1858 176
Act amending Act of Incorporation, passed December 17, 1859 177
Act to Provide for the Sale of 178
Act authorizing Governor to dispose and make sale of 179
Act consolidating with the Houston and Great Northern Railroad Company 194
Huntsville Branch Railway Company.
Act to Incorporate 180
Act to consolidate with the Houston and Great Northern Railroad Company 194

History of Organization.
Missouri, Kansas and Texas Railway Company, in Texas 5
Denison and Pacific Railway 80
Denison and Southeastern Railway Company (See Missouri, Kansas and Texas Extension Railway Company.)
International and Great Northern Railroad Company 149
Galveston, Houston and Henderson Railroad Company..... 319
Dallas and Wichita Railroad Company..... 371
Taylor, Bastrop and Houston Railway Company..... 429
Trinity and Sabine Railway Company..... 467
Gainesville, Henrietta and Western Railway Company..... 489
Dallas and Greenville Railway Company..... 515
Dallas and Waco Railway Company..... 545

Henderson and Overton Branch Railway Company.
Act to Incorporate..... 250

International and Great Northern Railroad Company.
History of Organization, etc..... 149
Act to Incorporate the International Railroad Company 195
Articles of Association and Consolidation of the Houston and Great Northern and International Railroad Companies..... 202
Act authorizing the issuance of Bonds 207
Act for the Relief of the International Railroad Company, March 10, 1875..... 208
Deed of Special Master of Houston and Great Northern Railroad to John S. Kennedy and Samuel Sloan, Trustees 212
Deed of Special Master of International Railroad to John S. Kennedy and Samuel Sloan, Trustees..... 218
Deed of Special Master of International and Great Northern Railroad to John S. Kennedy and Samuel Sloan, Trustees..... 224
Agreement for Reorganization, September 20, 1878..... 229
Deed from Kennedy and Sloan, Trustees, of Railway, Rolling Stock, etc 235
Deed to Kennedy, Thorne and Phelps, conveying lands..... 239
Resolution of Stockholders authorizing lease of Galveston, Houston and Henderson Railroad..... 256
Lease to Missouri, Kansas and Texas Railway Company..... 258
Revocation of lease to Missouri, Kansas and Texas Railway Co... 266
First Mortgage, November 1, 1879, to Kennedy and Sloan, Trustees 271
Second Mortgage, November 1, 1879, to Thorne, Phelps and Barnes, Trustees 282
Six per cent. Gold Mortgage, June 15, 1881, to Farmers' Loan and Trust Company, Trustee 294
Colorado Bridge Company Mortgage, May 24, 1880..... 307
Resolution of the Galveston, Houston and Henderson Railroad Company to lease to International and Great Northern Railroad Company..... 329
Lease of Galveston, Houston and Henderson Railroad..... 362

INTERNATIONAL RAILROAD COMPANY.
Act to Incorporate 195
Articles of Consolidation with Houston and Great Northern Railroad Company 202
Act for Relief of, March 10, 1875 208
Deed of Special Master of International Railroad to Kennedy and Sloan, Trustees 218

LEASES.
Resolution of International and Great Northern Railroad to lease Galveston, Houston and Henderson Railroad 256
International and Great Northern Railroad to Missouri, Kansas and Texas Railway Company 258
Revocation of above Lease 266
Resolution of Galveston, Houston and Henderson Railroad to lease to International and Great Northern Railroad Company 329
Lease of Galveston, Houston and Henderson Railroad to International and Great Northern Railroad Company 362
Lease of Texas and Pacific Railway to Missouri, Kansas and Texas Railway Company 575
Lease of Missouri, Kansas and Texas Railway to Missouri Pacific Railway Company 578

MORTGAGES.
General Consolidated of Missouri, Kansas and Texas Railway Company 10
First Supplemental General Consolidated Missouri, Kansas and Texas Railway Company 50
Second Supplemental General Consolidated Missouri, Kansas and Texas Railway Company 61
Denison and Southeastern Railway Company to Union Trust Company 92
Missouri, Kansas and Texas Extension Railway Company to Union Trust Company 107
Missouri, Kansas and Texas Extension Railway Company, release of 131
International and Great Northern First Mortgage, November 1, 1879, to John S. Kennedy and Samuel Sloan, Trustees 271
International and Great Northern Second Mortgage, November 1, 1879, to Thorne, Phelps and Barnes, Trustees 282
International and Great Northern six per cent. Gold Mortgage, June 15, 1881, to Farmers' Loan and Trust Company, Trustee, 294
Colorado Bridge Company Mortgage, May 24, 1880, Farmers' Loan and Trust Company 307
First Galveston, Houston and Henderson Railroad Company of 1882, dated April 1, 1883 352
Release of Union Trust Company to East Line and Red River Railroad Company 403
First East Line and Red River Railroad Company to Fidelity Insurance, Trust and Safe Deposit Company 406
First Taylor, Bastrop and Houston Railway Company to John F. Dillon and Henry B. Henson, Trustees 451

MORTGAGES—*Continued.*
Supplemental Texas, Bastrop and Houston Railway Company to John F. Dillon and H. B. Henson, Trustees 462
First Trinity and Sabine Railway Company to Mercantile Trust Company, Trustee 473
First Gainesville, Henrietta and Western Railway Company to J. F. Dillon and H. B. Henson, Trustees 500
First Dallas and Greenville Railway Company to John F. Dillon and H. B. Henson, Trustees 530
Dallas and Waco Railway Company to John F. Dillon and H. B. Henson, Trustees 561

MERCANTILE TRUST COMPANY, NEW YORK.
Mortgages: From Missouri, Kansas and Texas Railway Company—
General Consolidated 10
First Supplemental General Consolidated 50
Second Supplemental General Consolidated 61
From International Improvement Company 46
First Trinity and Sabine Railway Company 473

MISSOURI PACIFIC RAILWAY COMPANY.
Lease of Missouri, Kansas and Texas Railway to 578

MISSOURI, KANSAS AND TEXAS RAILWAY COMPANY.
Act authorizing construction of road in Texas 7
General Consolidated Mortgage 10
First Supplemental General Consolidated Mortgage 50
Second Supplemental General Consolidated Mortgage 61
Minutes of Board of Directors' and Stockholders' Meetings authorizing purchase of Railroads in Texas 67
Deed from Union Trust Company and Missouri, Kansas and Texas Extension Railway Company 133
Lease of International and Great Northern Railroad 258
Revocation of International and Great Northern Lease 266
Deed of Conveyance from Dallas and Wichita 386
Deed of Conveyance from East Line and Red River Railroad 425
Resolution of Taylor, Bastrop and Houston Railway authorizing conveyance to Missouri, Kansas and Texas Railway Company 431
Deed from Taylor, Bastrop and Houston Railway conveying its road 447
Deed from Trinity and Sabine Railway conveying its road 485
Resolution Gainesville, Henrietta and Western Railway Company authorizing sale to ..... 490—494
Deed of Conveyance from Gainesville, Henrietta and Western Railway 510
Contract with Dallas and Greenville Railway for Joint use of Track. 526
Deed of Conveyance from Dallas and Greenville Railway Company. 541
Lease of Texas and Pacific Railway Joint Track 575
Lease of Missouri, Kansas and Texas Railway to Missouri Pacific Railway Company 578

Missouri, Kansas and Texas Extension Railway Company.
Resolution authorizing purchase of....74 75 76
History of Organization.... 81
Articles of Incorporation.... 88
Mortgage to Union Trust Company (Denison and Southeastern Railway).... 92
Amended Articles of Incorporation.... 101
Deed from Denison and Pacific Railway.... 104
Mortgage to Union Trust Company.... 107
Mortgage, Release of, Union Trust Company.... 131
Deed to Missouri, Kansas and Texas Railway Company.... 133

Officers.
Roster of.... 1

Release of Mortgages.
Union Trust Company to Missouri, Kansas and Texas Extension Railway Company.... 131
Union Trust Company to East Line and Red River Railway Company.... 403

St. Louis, Iron Mountain and Southern Railway Company.
Contract with Dallas and Greenville Railway Company for Joint Use of Track.... 526
Contract with Dallas and Waco Railway Company for Joint Use of Track.... 557

Taylor, Bastrop and Houston Railway Company.
Resolution authorizing purchase of....69 78 79
History of Organization.... 429
Resolution authorizing sale and conveyance to Missouri, Kansas and Texas Railway Company.... 431
Original Articles of Incorporation Bastrop and Taylor Railway Company.... 437
Amended Articles of Incorporation, 1886.... 442
Amended Articles of Incorporation 1887, authorizing branch.... 445
Deed of Conveyance to Missouri, Kansas and Texas Railway Company.... 447
First Mortgage to John F. Dillon and H. B. Henson, Trustees.... 451
First Mortgage Supplemental to John F. Dillon and H. B. Henson, Trustees.... 462

Trinity and Sabine Railway Company.
Resolution authorizing purchase of....68 77 78
History of Organization.... 467
Articles of Incorporation.... 469
First Mortgage to Mercantile Trust Company, Trustee.... 473
Deed of Conveyance to Missouri, Kansas and Texas Railway Company.... 485

Texas and Pacific Railway Company.
Lease of joint track to Missouri, Kansas and Texas Railway Company.... 575

UNION TRUST COMPANY, NEW YORK.
Mortgage from Denison and Southeastern Railway Company 92
Mortgage from Missouri, Kansas and Texas Extension Railway Company 107
Mortgage, release of, Missouri, Kansas and Texas Extension Railway Company 131
Deed of Missouri, Kansas and Texas Extension Railway to Missouri, Kansas and Texas Railway Company 133
Release of Mortgage to East Line and Red River Railroad Company 403

VICTORIA AND COLUMBIA RAILWAY COMPANY.
Act to Incorporate 185
Act supplementary to Act to Incorporate 192
Act to consolidate with Houston and Great Northern Railroad Company 194

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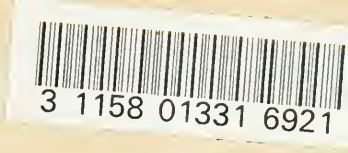

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